

FINANCIAL TIMES

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NEWS SUMMARY

GENERAL Patriotic Front given deadline

Britain and the Patriotic Front were involved in a delicate game of brinkmanship last night as Foreign Secretary Lord Carrington set tomorrow morning as the deadline for the guerrilla leaders to accept his new constitution for Zimbabwe.

Heathrow let-off The Government will not force airlines using Heathrow to move their services to Gatwick, and will instead rely on the pressures of growing congestion to achieve such transfers.

DC-8 pilot charge A Greek prosecutor has filed preliminary charges, including multiple manslaughter, against the pilot of the Swissair DC-8 which went off the runway at Athens airport and burst into flames, killing 14 passengers.

Times 'last hope' Today's talks on solving the dispute which is holding up republication of the Times newspapers will be the last chance to save the suspended papers, the National Graphical Association warned yesterday.

Tarakki buried Afghanistan's former President Noor Mohammad Tarakki, who was ousted in a palace revolution last month, died yesterday of a severe and prolonged illness.

Held for swearing A 41-year-old British woman is being held in Turkey for swearing at Istanbul airport after she and her two teenage sons were crowded out of their reserved flight to London.

Kurds face attack Iran has announced plans to take the war against Kurdish guerrillas out of the towns and into the countryside after the rebels ambushed and killed nearly 60 Revolutionary Guards on a rural highway near Sardasht, on the Iraqi border.

UN 'buzzed' The UN buildings in New York were evacuated for three hours while the pilot of a light aircraft flew low over the area threatening to crash.

Briefly... Echel Rhodie, former South African propaganda chief jailed for six years on fraud charges, was freed on bail pending an appeal.

Table with columns: RISES, FALLS, and various market indicators like Assed, Dairies, Newspapers, etc.

U.S. prime rates raised to 14 1/2% after Fed action

BY STEWART FLEMING IN NEW YORK

Commercial bank prime lending rates in the U.S. leapt to 14 1/2 per cent yesterday as uncertainty gripped the financial community in the wake of the dramatic change in the Federal Reserve Board's conduct of monetary policy.

As money market interest rates soared, senior bank officials in meetings trying to assess the implications of the newly-imposed punitive reserve requirements which they will have to meet in relation to any increases in their money market liabilities later this month.

On Wall Street the steep decline which started on Monday with an abrupt 13.75 point fall in the Dow Jones industrial average, resumed as soon as the market opened.

Bond prices were also marked down sharply as the conviction spread that companies would make heavy demands for long-term money to improve their balance sheets.

Iran and BP begin talks today on level of exports

BY ANDREW WHITLEY

PRELIMINARY negotiations between Iran and its largest crude oil customer, British Petroleum, open in Tehran today.

The main purpose of the trip was said to be to meet the new heads of the National Iranian Oil Company, following the dismissal of Mr. Hassan Nazih, its outspoken former chairman.

Racal sells its Plessey shares

BY JAMES BARTHOLOMEW

RACAL ELECTRONICS, the communications equipment group, has sold about 6m Plessey shares worth £7.2m.

The shares were placed in Monday by Carr-Sebag, the new stockbroker partnership formed out of the merger of W. J. Carr and Sons and Joseph Sebag.

London gold market: the Diamond jubilee, key to world gold price

NATO: Brezhnev poses a dilemma 19 Rhodesia: reservations of the Patriotic Front 4 Oil price: further increases predicted 5 Management: the Basque businessman with nerves of steel 15

Table with columns: American News, Gardening, Saleroom, Unit Trusts, etc.

CAUTIOUS REACTION TO LATEST FIGURES

Bank lending falls back

BY DAVID FREUD

BANK LENDING and money supply growth fell back sharply last month, according to banking figures released yesterday.

However, the authorities are reacting cautiously to the apparent turnaround and will wait to see the October figures before deciding whether the change reflects an underlying improvement.

But a final decision on interest rates will also depend on what happens in the meantime to rates in other countries, especially in the U.S., which have risen closer to UK levels.

Other factors, which do not affect eligible liabilities, will tend to increase last month's money supply figures, in particular transactions between the banks and discount markets.

EEC may pay 20% of Chunnel costs

By Giles Merritt in Brussels THE EEC may provide up to 20 per cent of the estimated £600m most of a tunnel under the Channel, according to officials of the EEC Commission in Brussels.

The rail-only tunnel project, details of which were recently presented to Mr. Richard Burke, EEC Transport Commissioner, has already been agreed in principle between British Rail and SNCF, the French State railway authority.

The project needs approval of the British and French Governments. It would also have to be passed by the EEC Council of Ministers, which has still to adopt the Commission's transport infrastructure plan.

The rail tunnel is only part of a 20-year programme for £21bn-plus investments, due to be approved by the Commission next week and submitted to EEC Transport Ministers before the end of this year.

Under the transport development programme proposed by the Commission, the Channel project would be eligible for substantial Community funding.

GLC home loans up

BY MICHAEL CASSELL

THE cost of Greater London Council home loans is to rise for the first time in three years.

The mortgage interest rate charged by the GLC is to go up from 10 1/2 per cent to 11 1/2 per cent on January 1, 1980, the day on which the building societies are due to raise their own home loans rate from 11 1/2 per cent to 12 1/2 per cent.

Rising costs involved in the GLC's own borrowing and in operating the home loan scheme are the reasons for the higher rate. The GLC, which operates the largest local authority mortgage scheme in the UK, also says that it is at a point where it is obliged to make the increase to stay within the minimum interest rate permitted under the rules governing local authority home loans.

The new rate will apply to all new borrowers and about 24,000 of the GLC's existing 75,000 borrowers. The remainder have home loans taken out at fixed interest rates.

Mr. Richard Brew, leader of the council's policy and resources committee, said: "We regret any increase in the interest rate, especially when we are doing our utmost to make home ownership easier for Londoners."

Relax to South Africa on our Happy Jumbos. Advertisement for South African Airways featuring a jumbos plane and flight details.

EUROPEAN NEWS

Protest by French over Belgian arms deal

By Giles Merritt in Brussels
A LIVELY row has broken out between powerful French industrial interests and the Belgian Government over the validity of a BFr 24bn (\$400m) arms contract awarded by the Defence Ministry in Brussels to a U.S.-Belgian group.

Currency shortage puts squeeze on Turkish banks

BY METIN MUNIR IN ANKARA
SOME OF Turkey's leading commercial banks are in difficulty on their bankers' acceptances, which support Turkey's foreign trade, because they are short of foreign exchange, according to bankers in Istanbul.

their holdings to the central bank, all banks found themselves short.
Some banks offered a 10 per cent premium instead of the usual 2 per cent to entice interbank credits to tide them over.

change has been confirmed by the company's local bank.
The Turkish central bank may repay interest of \$42m to international banks after raising a 30-day loan from a group of banks, Istanbul bankers told the Financial Times.

said to be Deutsche and Dresdner banks, American Express, Citibank and UBS.
Tight money is being maintained about the amount and conditions attached. However, it is understood that some banks arranged overdrafts while others released a part of the 100 per cent cash collateral deposited with them by the central bank for Turkish import orders.

STORMY OUTLOOK FOR 1980 WAGE ROUND

Chill sets into Dutch labour climate

BY CHARLES BATCHELOR IN AMSTERDAM

LABOUR RELATIONS in the Netherlands have worsened this autumn following a series of unexpected strikes. The traditionally good labour climate has contributed to a large extent to the country's post-war prosperity. But there are signs that this long harmonious period may be over.

successful in passing on the effects of a dearer Deutsche Mark Dutch exports, consisting to a great extent of chemical products and foodstuffs, have been much harder hit by cheaper competition. Unless moderation on the wages front continues more ground may be lost.

CVN while within the FNV the large industrial sections, with 300,000 members, has often taken a tougher line than the rest.
The unions' position in society is recognised by the rule accorded them in the top government advisory body, the Social Economic Council (SER). The 45 members of the Council are appointed by the unions, the employers and the crown.



Clenched fists and angry voices raised by dockworkers during the recent strike in Rotterdam

demand for the same increases.
Encouraged by the success of the meat industry strikers about 500 tugboat men in Rotterdam refused to sail. This strike is still continuing despite the refusal of the unions to back the militant left-wing action committee involved.

Workers at Royal Dutch Shell refinery and chemical plants near Rotterdam came out on official strike over a demand for a 33-hour week and five-shift working.
Their action brought the two chemical complexes to a halt. But after Shell forced open its locked refinery gates allowing workers loyal to the company through the strike collapsed after only five days.

failure to back the dock strike.
After several years of moderation, and the failure of the Dutch Government to fulfill its own part of the bargain, by bringing down unemployment, the union rank and file appear to be losing patience.
The Government is aware of the dangers. But its room for action is limited. It will continue to run an unacceptably high budget deficit next year to fund its spending programmes aimed at creating jobs and stimulating industrial investment.

Poland drops plan to ease controls

By Christopher Bobinski in Warsaw

THE POLISH authorities have abandoned a controversial experiment which would have freed from central control 11 large factories making clothes and textiles, and made profits the basic measure of success.
The scheme was to have come into effect in January and local managers would have been able to decide for themselves not only which goods to produce but also their quantity and price.
Furthermore, they would have been left to decide employment and wage levels for the two years of the scheme which covered up to 15 per cent of Poland's clothes and textiles production.
The dropping of the scheme is a blow to those in the Government who have been arguing for a greater link between wages and profits, and who favour giving managers a chance to show more initiative.
It appears to have been abandoned because of fears that producers would have been tempted to neglect standard items, which in any case are in short supply, and switch to expensive high quality goods.
Supporters of the scheme believed it was the only way to improve a situation in which present production levels of consumer goods could keep up with the growth in demand and in which quality is deteriorating.
For the first seven months of this year, for example, the population earned 10 per cent more than in the same period in 1978. Supplies of food and other goods, however, rose by 4.7 per cent.

Prague confines dissident in mental hospital

PRAGUE—The Czechoslovak philosopher Julius Tomin, who organises an underground university for students barred from higher education, is believed to have been confined in a psychiatric hospital. He is said to have been picked up by security police on Friday.
Several visiting academics from the West have given lectures at the unofficial university. Reuter

KNOWING HOW TO LISTEN COULD DOUBLE THE EFFICIENCY OF BRITISH BUSINESS. DID YOU HEAR THAT?

Business today is held together by its communication system.
And listening is undoubtedly its weakest link.
Most of us spend about half our business hours listening. Listening poorly. Research studies show that on average we listen at a 25% level of efficiency.
A statistic that is not only surprisingly low, but terribly costly.
With more than 22 million workers in Britain a simple £5 listening mistake by each of them would cost £110 million.
Letters have to be retyped; appointments re-scheduled; shipments reshipped.
And when people in large companies fail to listen to one another, the results are even costlier.

Ideas get distorted by as much as 80% as they travel through the unwieldy chain of command.
Employees feel more and more distant, and ultimately alienated from top management.
Well, as one of the world's largest companies—with 88,000 employees and five divisions—we at Sperry simply can't afford to pay the price of poor listening.
So we've set up extensive listening programmes that Sperry personnel throughout the world can take part in. From sales representatives and computer engineers to even the Chairman of the Board.
These programmes are making us a lot better at listening to one another. And when you do business with Sperry Univac, or any of our other divisions, you'll discover that it's making us a lot better at listening to you.



SPERRY logo. Text: 'We understand how important it is to listen. Sperry is Sperry Univac computers, Sperry New Holland farm equipment, Sperry Vickers fluid power systems, and guidance and control equipment from Sperry division and Sperry Flight Systems. Write to Sperry, Dept. FTN/70, 78 Portsmouth Road, Cobham, Surrey KT11 1ZZ, for facts on listening and a quiz that's both fun and a little surprising.'

AMERICAN NEWS

Dollar package dismays Wall Street

By David Lascelles in New York. WALL STREET reacted with dismay yesterday to the Federal Reserve's weekend credit package and the bank's announcement of a record 14 1/2 per cent prime rate.

Volcker warns bankers, Congress to accept austerity

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

MR. PAUL VOLCKER, chairman of the Federal Reserve Board, yesterday strongly argued that the new austere monetary policy adopted by the U.S. central bank did not mean the economy would be starved of credit and thereby plunged into deeper recession.

of limited resources, banks should take care to avoid financing essentially speculative activity in commodity, gold and foreign exchange markets.

more inflation, since inflation was the greatest threat to domestic stability. He did not elaborate much more on the specifics of the new emphasis on controlling the money supply through the banking reserves, rather than through interest rate management.

SALT 'may delay move on nuclear weapons'

By David Buchan in Washington

NATO ALLIES regard the ratification of SALT-II as a major test of U.S. reliability as leader of the West, according to a Senate study released yesterday.

Fed's anti-inflation package gets W. German blessing

BY JOHN MAKINSON IN FRANKFURT

THE anti-inflation measures unveiled by the U.S. Federal Reserve Board over the weekend have received an official welcome in West Germany.

exchange intervention. It is, however, the fundamental shift in U.S. policy away from interest rates and towards money-supply direction which has struck the most sympathetic chord here.

recession is not a cause for alarm, they believe. Dr. Wilfried Guth, chairman of Deutsche Bank, noted that West German tradition has shown that recession is one way of curing inflation.



Herr Hans Matthofer, Germany's Finance Minister is still only about 2 per cent lower than the norm here.

FORMER ENERGY OFFICIAL'S FORECAST

World oil price could almost double to \$40 by 1985

BY RAY DAFTER, ENERGY EDITOR

OIL CONSUMERS must brace themselves for a continuing sharp rise in prices. By the late winter of 1980 the price of a barrel of oil could be \$30; by 1985 it could be as much as \$40.



exporters are expected to press for at least a 10 per cent price increase when OPEC oil ministers meet in Caracas, Venezuela, in mid-December.

Of the OPEC total some 20m b/d came from Gulf states but there remained a question mark over how much they would be producing in the mid-1980s.

Alaska sues energy commission

ANCHORAGE—The State of Alaska has filed suit against the Federal Energy Regulatory Commission over plans for the Alaska highway pipeline.

Canadian bank rate up to 13%

OTTAWA—The Bank of Canada yesterday raised the bank rate, the official interest rate, to a record 13 per cent from 12 1/2 per cent, effective immediately.

Mayor Byrne backs Carter

CHICAGO—Mrs. Jane Byrne, Chicago's powerful Mayor, has thrown her support behind President Carter for re-election next year.



The tax deal of the century!

Ireland announces a new deal for manufacturing industry. No tax on Export Profits until 1990, then a maximum of 10% on all profits to the end of the century.

REPUBLIC OF IRELAND The most profitable industrial location in Europe.

US Department of Commerce statistics for the period 74-77 show a 28% average annual return on investment for US manufacturers located in the Republic of Ireland—more than twice the European average.

IDA Ireland also has offices in Dublin, Amsterdam, Paris, Cologne, Stuttgart, Milan, Copenhagen, Madrid, New York, Chicago, Los Angeles, Houston, Toronto, Sydney and Tokyo.

WORLD TRADE NEWS

Iran asks West to ease bank curbs on financing

BY ANDREW WHITLEY

IRAN IS trying to persuade its major trading partners in the West to ease their banking restrictions on doing business with the Islamic Republic. These restrictions are causing serious difficulty for Iranian importers.

Mr. Mohammad Ali Mowlavi, the Governor of the Central Bank of Iran, paid a flying one-day visit to London on Monday to meet senior banking officials and discuss ways of improving the present low levels of trade between Britain and Iran. Exports are currently a quarter of their pre-revolution level.

Armstrong, chairman of Midland Bank, and Mr. Henry Lambert, chairman of Barclays International. Accompanying the Iranian Central Bank Governor was Mr. Jalil Shoraka, who heads the Iran Overseas Investment Bank in London.

UK moves to improve Iraq ties

BY ANTHONY McDERMOTT

MR. CECIL PARKINSON, the British Minister of State for Trade, is to visit Iraq between October 11 and 14. The immediate purpose is to visit the annual Baghdad trade fair. But the visit comes in the context of efforts to improve both economic and political relations with Iraq.

As part of Iraqi retaliation, a business embargo was imposed. This was lifted in July at the time of the visit of Lord Carrington, the Foreign Secretary.

Investigate the circumstances of economic relations. Iraq is a major Middle East trading partner. British exports in 1978 totalled £215.5m, a rise of 29 per cent over the previous year, while imports, mainly oil, were worth £497.5m.

OECD acts against import restrictions

BY DAVID WHITE IN PARIS

WESTERN industrialised countries are being asked to step up their co-operation in dealing with restrictive practices that affect international trade.

agreed on by OECD members 12 years ago. The new provisions include the possibility of the affected country starting negotiations with the country giving notice that it is taking action.

Meeting on Jordan dam

BY RAMI G. KHOURI IN AMMAN

FIFTEEN of the leading Arab and international soft loan financing institutions gather in London today for three days of talks to assess in detail the \$1.2bn financing requirement of stage Two of the Jordan Valley project.

ment Bank. Foreign aid is financing most of the work in the valley. The U.S. is already backing the Stage Two with nearly \$200m. This week's conference will package the entire project into separate contracts according to Dr. Mueather Haddadine, senior vice-president of the Jordan Valley Authority.

NZ mission seeks capital

BY JONATHAN CARR IN BONN

A 20-MEMBER New Zealand business delegation has begun a visit to West Germany aimed at intensifying trade and co-operation between the two countries.

Zealand has turned for the refrigerated container vessels it needs for its agricultural exports, is clearly high on the list. Last year West German exports totalled only DM 407m (£105m)—a fraction of its overall exports but still an increase of 61 per cent over 1977.

Anthony McDermott, recently in Algiers, explores opportunities for Britain's exporters.

Doubts cloud potential

BRITISH CALEDONIAN'S decision to add a fourth weekly direct flight between London and Algiers specifically to meet business demands may suggest that the British businessman is taking the Algerian market more seriously.

Britain thus trails badly in a market in which, just to judge from two statistics alone, export earnings for 1978, calculated by the Chase Economic Group at \$9.34bn and a population at the beginning of the year estimated at 18.8m, is worth pursuing.

France and Wimpey, Fairclough, Cementation International and one-off co-operation between Sir Alfred McAlpine and Douglas of Birmingham have been showing interest. But British construction companies and others are holding back because of a directive issued by the Ministry of Housing last July.

The fair itself, one of the most important in northern Africa, attracted 39 countries. The largest participant was France, Algeria's main source of imports, with the wares of some 248 exhibitors displayed over 15,000 sq metres, almost twice the size of its nearest rival, West Germany.

Part of this poor performance can be attributed to the traditional difficulties of language, accommodation, slow bureaucracy and cost. These made it, in the words of one British observer, "a market of desperation." But the evidence is that persistence in wooing contacts, and permanent representation in the country (Britain has only about 25 permanent offices) does pay dividends, particularly as the Algerian Government is keen to diversify its source of goods.

Foreign companies fear that in the event of an Algerian default, they would be landed with such problems as site-finding and providing labour and services, which would normally be the responsibility of the local partner.

However, this small number of representatives meant that it was not worthwhile filling the permanent national pavilion. Thus the British exhibitors were placed in part of the international hall.

The first involves Law 2 of February, 1978, concerning trade, which became the exclusive monopoly of state organisations.

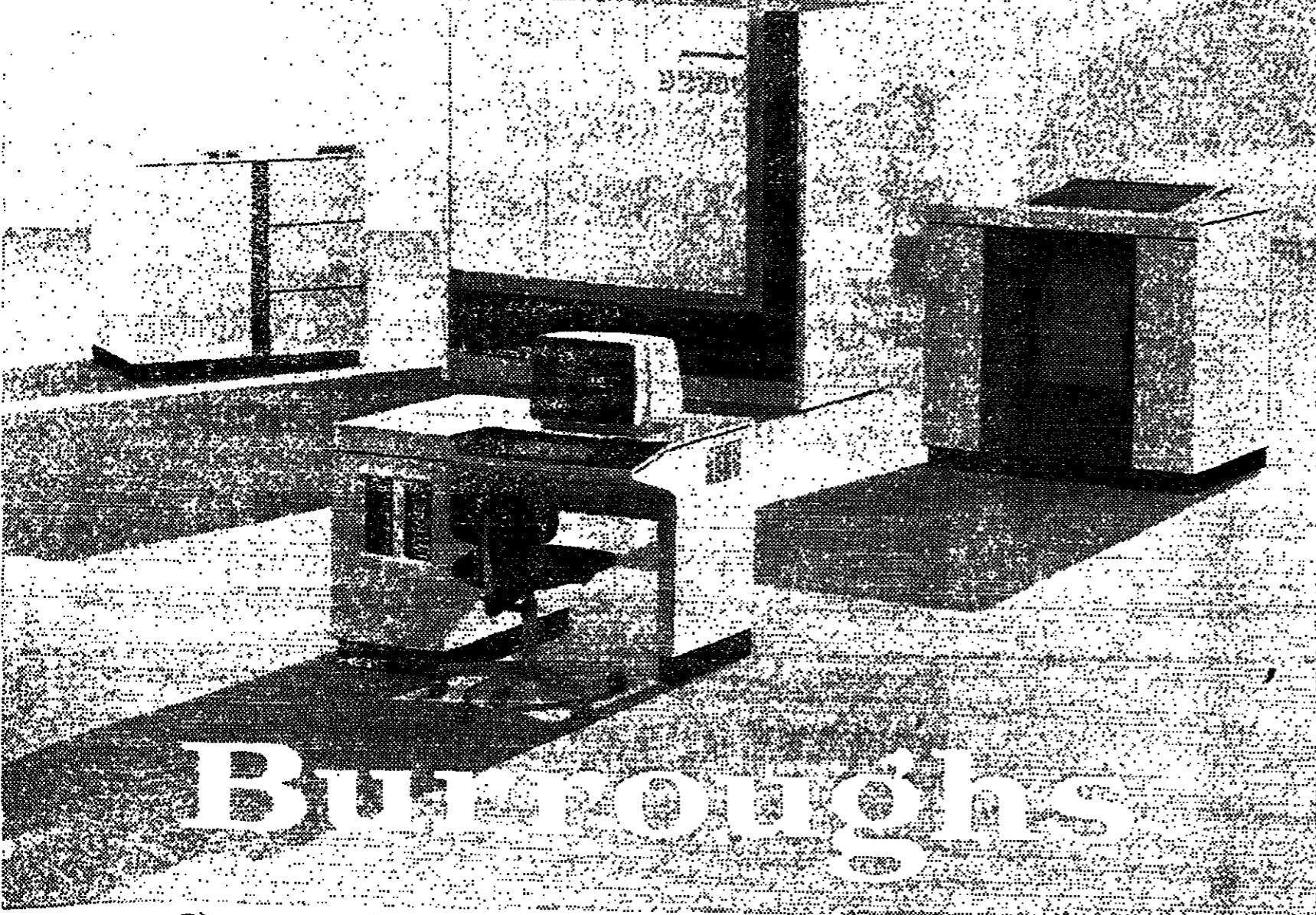
Third, there is concern about the possible risks of product-hand contracts, which Algeria prefers to turnkey operations. Through these contracts, is trying to ensure that the investment of a foreign company does not end with the construction of a factory but continues in the form of training local staff and ensuring that the project meets production targets.

The new technology.

Burroughs "900" Series computers give you higher performance and lower cost through advanced technology.

Burroughs B 2930 (shown below) and B 3950 computers introduce entirely new levels of price-performance and flexibility. For the first-time computer user. And for experienced computer users with requirements for interactive processing, distributed processing and heavy-duty central processing work loads.

optimum efficiency and a consistently high rate of throughput. The B 2930 and B 3950 can have up to four central processors. And they are completely software-compatible with earlier Burroughs intermediate systems. No rewriting or recompiling of existing application programs is required.



SEMICONDUCTORS U.S. leads the way in Europe

BY JOHN LLOYD

PRODUCTION of semiconductors, or microelectronic circuits, in Europe is dominated by U.S. companies and technologies. Even where a European company is strong in the market, it has achieved its position by the acquisition of a U.S. company.

including both integrated circuits and discrete components, will grow from \$2.6bn this year to \$3.6bn (£1.7bn) in 1982.

companies, there have been a number of new ventures in the semiconductor field announced in the past two years. In France, three companies — St. Gobain, Matra and Thomson CSF — have formed joint ventures with National Semiconductors, Harris and Motorola, all of the U.S.

Advertisement for Banco de Bilbao featuring the slogan 'Who? BB!', 'Wie bitte? BB!', and 'BB? BB!'. It includes the text 'BBanco has the answer in 45 Languages.' and details about the bank's services and branches.

The City's idea of the building industry.

The great gamble?

Beneath the dignified pin-stripe of the City beats the heart of a Cincinnati Kid. Nobody quite likes to say it, of course, but in reality any investment is a bit of a gamble.

Some however are regarded as being a bit too much of a gamble. The building industry, for example, has been seen as an insubstantial, here-today-gone-tomorrow nine day wonder. And it is a fact that some building companies have failed conspicuously to come up trumps.

Question. Does that mean that all building companies should be dismissed as financially shaky?

As an astute City observer, the answer, must be a resounding no. Any investment should be judged on its own merits, judged by the hard facts and figures without prejudice.

Barratt believe that their record will speak for itself.

From little acorn to solid oak.

21 years of steady consistent growth have led to Barratt's current position: according to Management Today's Ten Year survey of Britain's top 200 companies, Barratt stand at 3rd for Capital Employed, 7th for Pre-tax Profit, 1st for Sales and 1st for Gross Cash Flow. In the last 10 years earnings per share have increased from 2.3p to 26.9p - assuming a notional full tax charge or indeed after our actual tax charge from 2.3p to 54.3p - a growth of 1069% or 2260%.

Shareholders' funds have increased from £2m to £74m in the last 10 years representing today a net asset value per share of 197p.

Our profit in 1979 ran to a cool £20.7m. This at a time marked by a severe recession in the market, when others - according to a recent Daily Telegraph article - have really caught a cold.

Three myths exploded.

Barratt's success has been achieved in the face of three popular but inaccurate prejudices.



shown that a building company does not have to fluctuate to the tune of passing trends.

The second myth is that the demand for housing is declining. Every fact points in exactly the opposite direction. Only two-thirds of the people who would like to own their own home currently do so. In this country, only 54% of the population are homeowners compared to an average of 70% in some European countries. To reach this level 3 million new homes will be required in Britain. There are four million substandard houses awaiting the bulldozer. As every local authority knows substandard housing exists and is crying out for redevelopment.

And finally, myth number three. Barratt only build houses. Barratt have 30 operating subsidiaries, of which twenty-two build houses. Three are involved in property investment, (offices, factories, shopping centres) for our growing property portfolio.

Our current programme for commercial and industrial developments underway will increase rental income from the present £1.2m to over £3m by June 1981. When these developments are completed the value of our investment properties presently over £20m will more than double.

Five other subsidiaries are involved in general contracting and manufacturing for the industry. The myths are only myths.

Demolished.

The first concerns the building industry itself. According to myth, this inevitably reflects a cyclical process, the bumpy and unpredictable ups and downs which make the City unsure of the building industry.

True, some companies are only able to build profitably when house prices are rising fast enough to cover wasteful building methods.

True, others can only build when money is so freely available that they can get it, despite a lack of credentials that more stringent times would require.

But Barratt by a policy of tight managerial control, strict financial discipline and unique marketing techniques have

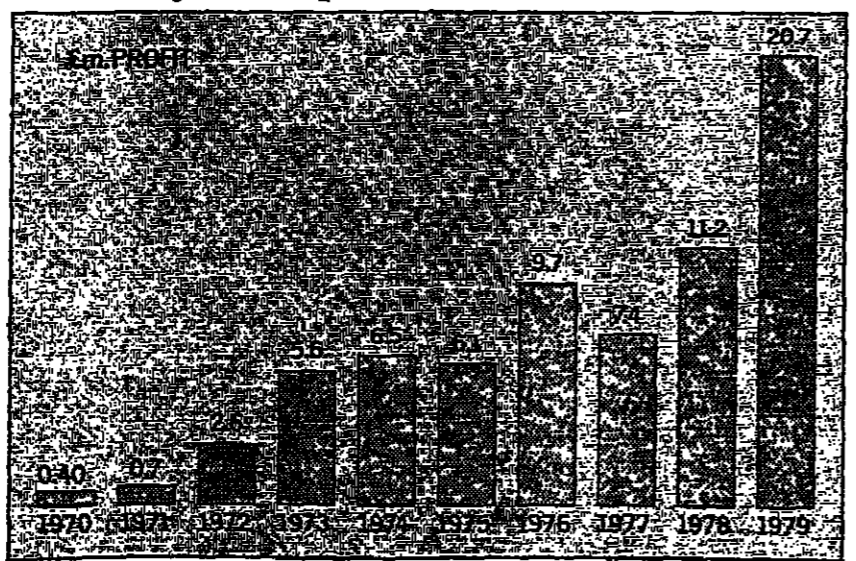
The crystal ball.

Don't look solely to the past. What of the future?

What of Barratt's performance in the 1980's? Barratt own enough land to ensure a full work schedule for at least three years. We will improve even further on our record of building over 10,000 houses a year. And Barratt will continue to increase their share of the market in the Midlands and the North. South of Watford the potential is limitless.

Today, Barratt are building on 350 developments all over Britain selling houses from £11,000 for first time buyers to £110,000 houses for the stockbroker belt (just our little joke). All of this will perhaps only confirm what you have suspected all along: that Barratt is a rock-solid investment that you can confidently trust for the future.

If you're after a quick rush of adrenalin, we recommend a game of poker.



UK NEWS

Heathrow traffic decision is hollow victory European airlines 'must compete'

THE GOVERNMENT'S decision to abandon attempts to force airlines using Heathrow Airport to transfer some services to Gatwick, and to leave the question of such moves to market pressures, represents a victory for no one. At best, it reflects the Department of Trade's conviction that Heathrow's increasing congestion will do what many months of persuasion have failed to do. At worst, it reflects the Department's recognition that coercion attempts are unwise and bound to incur retaliatory action against UK airlines overseas... The three foreign airlines involved so far—Air Canada, Iberia of Spain and Air Portugal—have consistently argued that as all their investments are at Heathrow, and as many of their passengers want to transfer there to other, long-distance flights, they ought to be allowed to stay there instead of being obliged to go to Gatwick. The Government's latest decision means they can now stay there. But they will not be allowed to expand, so that if their traffic grows, as it probably will, the pressures of increasing congestion at Heathrow seem likely to make them change their minds and transfer some flights into Gatwick in the early 1980s.

lines at Heathrow some headaches. Their Scheduling Committee, which works out times at which every airline can take off and land every day, has achieved miracles so far in meeting everyone's requirements within reason, but is not likely to be able to continue as traffic rises, and the airlines' demands increasingly bump up against the rigidly enforced ceilings on movements. To ease the strain, the Authority, in addition to endorsing the Government's plans to get airlines to move to Gatwick, has also asked for permission to build a fourth passenger terminal at Heathrow to raise overall capacity from 30m to 38m passengers a year. But as Government approval has been delayed so long, it is unlikely the terminal can be ready—let alone allowed—until 1985, instead of 1984 as originally hoped. As a result, between the end of 1980 and 1985, there is likely to be continued congestion at Heathrow. Recognising this, British Airways has agreed to shift to Gatwick from November 1 next year, all its flights between the UK and Spain and Portugal. It may also decide to move other flights if Heathrow congestion makes life too intolerable for its passengers. In voluntarily taking this step,

Michael Donne reports on the congestion of Heathrow

Capital tax reforms urged by CBI

THE CONFEDERATION of British Industry yesterday called on the Chancellor to make substantial reductions in Capital Gains and Capital Transfer taxes. The CBI submission is likely to reflect Government opinion. Sir Geoffrey Howe, the Chancellor, said in his June Budget that he was determined to make the taxation of capital simpler and less oppressive. Lord Cockfield, Minister of State at the Treasury, has been working on capital tax reform since the election, and his findings are expected to be ready for implementation in the spring Budget. The CBI's key proposals are that the threshold for capital transfer tax should be raised from £25,000 to £50,000, with a top rate of 50 per cent on fortunes of more than £3m. This compares with the present 75 per cent rate above £2m. Donors' annual exemption should be raised from £2,000 to £10,000 a year, and the new thresholds and bands indexed to movements in retail prices, it says. The present system of imposing the tax on the lifetime cumulation of gifts should be changed to seven years. The CBI recommends that the basic rate of Capital Gains Tax should be reduced from 30 per cent to 25 per cent, in line with the reduction in income tax rates. Tax should no longer apply to assets which have been owned for seven years or more, nor to lifetime gifts. The tax burden on assets held for less than seven years should be progressively reduced to mitigate the effects of inflation. The CBI says that there is a strong case for the complete abolition of Capital Transfer Tax, as has already happened in Canada and Australia.

Steel demand back at pre-strike level

DEMAND FOR steel from engineering industries has already returned to pre-strike levels. The steelmakers, merchants, and stockholders report a rapid response to the ending of the ten week dispute. Orders for seven-week dispute. Orders for last few days and salesmen are forecasting continuing brisk business. In spite of the strike, the 260 member companies of the National Association of Steel Stockholders expect 1979 to be their best trading year since the steel recession of the mid-1970s. Poor steel markets in British industry forced a number of stockholding companies to merge or close last year. This year the great majority of companies trading in steel were making reasonable profits until the strike. After taking the impact of the strike into account, most are still expecting to be in profit over the full year. Mr. Richard Rawlins, executive director of the National Association of Steel Stockholders, said yesterday: "I have checked today with a number of my member companies. The demand for steel seems to have gone up to pre-strike levels remarkably quickly. We find this response from the engineering companies very encouraging for a quick return to normal trading." The strike began to affect the merchants and stockholders seriously during its last two weeks as companies delayed placing further steel orders after using up factory stocks. Demand fell by 30 per cent. Mr. Norman Richards, chairman of GKN Steelstock, said the underlying effects of the strike were not likely to be reflected throughout the steel manufacturing and trading chain for some time to come. "Inevitably the overall effect will be a function of how much

Demand for petrol ahead 3.1% so far this year

DEMAND for oil-based products in the UK during the first half of the year was 2.6 per cent up on the same period last year, according to figures published yesterday by the Institute of Petroleum. Total deliveries in the first six months of 1979 were 47,853m tonnes—1m more than in the first half of 1978. Petrol deliveries, which accounted for 18.9 per cent of total demand, were 3.1 per cent up on the same period last year while diesel deliveries rose by 1.9 per cent. Gas and diesel oil deliveries went up by 5.1 per cent, demand for burning oil rose by a hefty 11.8 per cent—mainly as a result of the cold winter—and fuel oil deliveries went up by 1.6 per cent. But the institute's figures show that demand for oil-based products during the second quarter of this year was down on the same period last year by 0.7 per cent. The growth in petrol sales to garages during the first half of the year was limited to four stars. Demand rose by 7.1 per cent compared to the first half of 1978. Deliveries of other grades of petrol fell, particularly five star which dropped by 76.6 per cent compared with 1978. The main reason for this is that a number of oil companies have stopped selling it.

Cut of 1,250 in Ulster teachers

THE GOVERNMENT has announced plans to reduce the number of teachers in Ulster by 1,250 in the next five years because of the falling number of pupils. Cutting training intakes would reduce the province's teaching staff from 19,325 to 18,075 by 1984-85, Lord Elton, Under-Secretary responsible for education said yesterday. He said it was indefensible to train the same number of teachers in the knowledge that employment opportunities were contracting. It was grossly unfair to the student teachers and a waste of public funds. The province's two leading teachers' unions said they accepted the need for the reduction.

CONTRACTS

- Mitsubishi places £2.8m order MITSUBISHI RESEARCH Institute of Tokyo has placed an order worth more than £8m (£2.8m) with CRAY RESEARCH for a CRAY-1 computer system. The installation is scheduled for the third quarter of 1980. MARCONI COMMUNICATIONS Systems, a GEC-Marconi Electronics company, has won a contract worth around £2m from the BBC for equipment to modernise its overseas short-wave broadcasting services. The order is for four 250kW shortwave broadcast transmitters, which will be installed at the Voice of America relay station, Woodforton. NORTH BRITISH PROPERTIES has placed a £1.9m contract with BALFOUR/BEATTY CONSTRUCTION, a member of the Balfour Beatty Group of BICC, for the erection of an office block in Fenike Street in the centre of Newcastle-upon-Tyne. It will have a basement car park and five storey office block with service road, paved areas and associated drainage. CREON MECHANICAL SERVICES has placed an order worth £300,000 with TOSELIBA (UK) for 5,000 window-type room air conditioning units. The window units have cooling capacities ranging from 3,500 to 6,000 K/Cal. RACAL INFORMATION SYSTEMS has received an order worth more than £400,000 from Supertyper (UK), the wholly-owned subsidiary of the Syntac Group, for word processing systems. NORTON INDUSTRIAL CERAMICS has received an order worth around £100,000 from General Ceramics Bhd of Selangor, Malaysia, for kiln furniture. The order comprises a "Gimson" tile crank system used in firing glazed tiles.

All the USA you can see. Only £175 in addition to airfare to Dallas/Fort Worth. Now when you travel within the U.S., for business or for pleasure, you can go to two, three, four or as many Braniff cities as you want for one bargain price. With a Braniff Airpass. It's only an additional \$175 Economy or £220 First Class when you buy your Braniff round-trip ticket to the U.S. The Airpass entitles you to unlimited stopovers in any of Braniff's 54 mainland cities all over the U.S. for as long as 30 days. So make the most out of your trip to the U.S. Travel on a Braniff Airpass. For details and reservations, call your Travel Agent or Braniff on 01-491 4631. Image of a Braniff airplane flying over a map of the USA.

Court to rule on hospital closure

THE FATE of the 36-bed St. John's Hospital, Letcham, London, due to be closed Saturday as part of the Government's economic measures, will be decided at a High Court hearing in the next two days. The closure, ordered by Health Commissioners, followed the refusal of the local area health authority to comply with Government demands for economies. The Borough Council is seeking orders to quash the closing and to require the commissioners to consult the local health authorities before making any substantial changes in local services.

NEW YORK SAVE £72* REAL ECONOMY IS RESERVE SEAT. Our Roundtrip Economy fare to New York really is £72 less than anyone else's. Reserve your seat both ways any time prior to departure. Full airline service and roomy comfort of the wide body DC-10. Scheduled daily flights. You're much better off taking a Laker Economy flight to New York—£72 to be precise! ROUND TRIP LONDON-NEW YORK LAKER ECONOMY RESERVE SEAT £329 OTHER AIRLINES LOWEST ECONOMY FARE £401 YOU SAVE £72. Advance Purchase Excursion fare £169 round trip. Standard Skytrain Service £70 one way. Seat availability call 01-828 7766. Tickets and reservations at the Skytrain Service Sales Office at Victoria Station or Gatwick Airport. LAKER Skytrain See your Travel Agent or call 01-668 9300.

Today's Times talks 'last chance' says NGA chief

BY ALAN PIKE, LABOUR CORRESPONDENT

NEGOTIATIONS today on the latest crisis to hamper republication attempts at Times Newspapers will be the last chance to save the suspended newspapers, Mr. Les Dixon, president of the National Graphical Association, said yesterday.

management and demanded negotiations on a wide-ranging pay and conditions claim in advance of republication. Originally the NGA members, who accepted return-to-work proposals last month, had intended to conclude their complete new operating agreements after republication.

They have, however, been concerned about possible erosion of their differentials following a full agreement reached with the Sunday Times machine chapel of the National Society of Operative Printers, Graphical and Media Personnel, last week.

Paddington trains halted by strike

By Our Labour Staff

ALL TRAIN services to and from Paddington Station, London, will be halted by the third one-day strike by members of the National Union of Railwaymen from 2 pm today until 2 pm tomorrow.

PHILIP BASSETT REPORTS ON AN OVERLOOKED STRIKE Crisis over union-worker rift

VAUXHALL MOTORS' Ellesmere Port car plant on Merseyside is in on the sixth week of a strike that had been largely overlooked until 3,000 assembly workers decided this week to stay out, in spite of a warning from the company about the plant's future.

Vauxhall estimates that the strike has cost it about 19,000 vehicles worth £85m. Production of the Chevette and the Chevanne at Ellesmere Port has been halted.

Unlike Ford last year, the company has refused to modify its offer in any but marginal details. The intervention of national union officials led to acceptance of the deal by the more moderate Electrical and Plumbing Trades Union at all three Vauxhall plants, then by other bargaining unions at Luton and Dunstable.

Only members of the Amalgamated Union of Engineering Workers at Dunstable and the Merseyside men held out. The AUEW at Dunstable has said it will not call a mass meeting to put the offer to its members until the company ends the lay-offs. But it is thought that the moderate leadership at the plant might not prove to be too much of a stumbling block to a return to work.

ITV blackout 'for 14 days more'

BY GARETH GRIFFITHS, LABOUR STAFF

TALKS BETWEEN the Independent Television companies and the Association of Cinematograph, Television and Allied Technicians reached deadlock yesterday with predictions of the two-month-old blackout lasting another fortnight.

The union confirmed ITCA estimates about the deal it is seeking and the general secretary, Mr. Alan Sapper said the claim was open "to negotiation within certain limits."

Further meeting with the companies later in the week. NATTKE and the EPTU negotiators are much keener on a quick settlement.

Western Region will operate a skeleton Inter-City service from Reading to the west Midlands, the west country and south Wales.

Many observers of the industry were surprised by union claims in July for 25 per cent increases in basic rates, a reduction from 40 to 38 hours as a step towards the 35-hour week, and other improvements.

But at Ellesmere Port, the position is very different. Under the terms of the company's pay offer, 1,200 fitters at the plant, members of the AUEW, independently accepted 2p per hour more than has been offered to the company's other top craftsmen.

The dispute reflects a deep division in the plant between the official AUEW leadership and an unofficial skilled workers' committee, which during the company's pay negotiations in 1977 caused serious disruption by bringing out the men they speak for.

The unions claim that the real increase offered is only 13.7 per cent. The well-organised TGWU

Right-wing closed shop victory claim denied

BY CHRISTIAN TYLER, LABOUR EDITOR

CLAIMS BY the Freedom Association, a Right-wing pressure group, that three British Rail closed shop "victims" it is supporting had won a "victory" at a preliminary case hearing by the European Commission on Human Rights were denied in London and Strasbourg yesterday.

The three who have applied to Strasbourg for redress are Mr. Roger Webster of Tunbridge Wells, Kent, Mr. Noel James of Havant, Hants, and Mr. Iain Young of Croydon, Surrey.

Pickets face extortion charge from lorry strike

AN EXTORTION trial heard yesterday that a transport company handed cheques to a picket line to allow it to carry essential supplies to the Isle of Arran in the Firth of Clyde.

Mr. Miller and Mr. Haddow were "in such a state of apprehension" that they paid £130. The defendants have pleaded not guilty, and deny a charge of attempting to extort money from a haulier at Irvine, Ayr-

Without a complete set of insulation and heating controls your central heating system could burn up to 50% more fuel than necessary. You won't regret spending a little extra to make your system complete. These bits should pay for themselves in about two years, and go on saving you money year in, year out.

A thick insulating jacket like this (one with a BSI Kitemark) will cut heat loss from your hot water cylinder by about 80%. And the water will stay hot a lot longer.

A time switch turns your system on and off automatically. You have heating and hot water just when you want it and you don't pay for heat you don't need.

A room thermostat will keep your house at the temperature you set. This means the heating is kept under control, and so is your fuel bill.

Draughts are not only uncomfortable, they're costly, too. It'll only take a few hours to draught-proof the outside doors and main windows.

Radiator thermostats enable you to set the temperatures you want room by room. So you don't burn money heating rooms you're not using.

An 80mm (3in) layer of loose-fill or mineral fibre mat in the loft will reduce heat loss substantially. Ask at your council office for details of the loft and tank insulation grant.

The size of your central heating bill hinges on what you put into your system. For example, if you heat your home most of the day, cavity wall insulation could be a good investment too. The point to remember is this. The more complete the central heating system you buy, the less of a fuel bill you pay.

MAKE THE MOST OF ENERGY

DEPARTMENT OF ENERGY

Singer meeting called off

By Ray Ferman

SINGER, THE U.S. sewing machine group, has cancelled the meeting it was due to have with Mr. Alex Fletcher, Scottish Office Industry Minister, to discuss the future of the Clydebank plant.

The range of international services no other bank offers:

International Finance. Competitively.

Short-term and fixed rate medium-term finance covered by ECGD guarantees. Negotiating or discounting bills, Acceptance credits, Eurocurrency finance, Export factoring, International leasing and Instalment finance.

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Being the exclusive U.K. member of European Banks International (EBIC) Midland can offer their clients the complete facilities of seven major independent European banks with 10,000 branches throughout Europe and a world-wide network of joint ventures.

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Exclusive to Midland, direct access to the world's largest travel company - Thomas Cook - a member of the Midland Bank Group. The fastest growing company in business travel providing the most comprehensive business travel service including foreign exchange in 150 currencies, travellers cheques, V.I.P. Service cards and 870 offices in 145 countries.

International Merchant Banking. Competitively.

A complete range of international financial services from Samuel Montagu, a major Merchant Bank and a member of the Midland Bank Group. Eurocurrency credits, bond issues, corporate and investment services. Samuel Montagu are also major market makers in bullion, foreign exchange and Eurobonds.

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A unique range of marketing and export finance services through the London American International Corporation Limited, operating in over 100 countries. Information on regulations, tariffs, documentation procedures and exchange control.

If we're not already delivering for you and you think there's room for improvement in your financial arrangements, we'd like to talk to you. For a prompt answer, contact our International Division in London or any of our branches throughout the U.K.

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Test us.

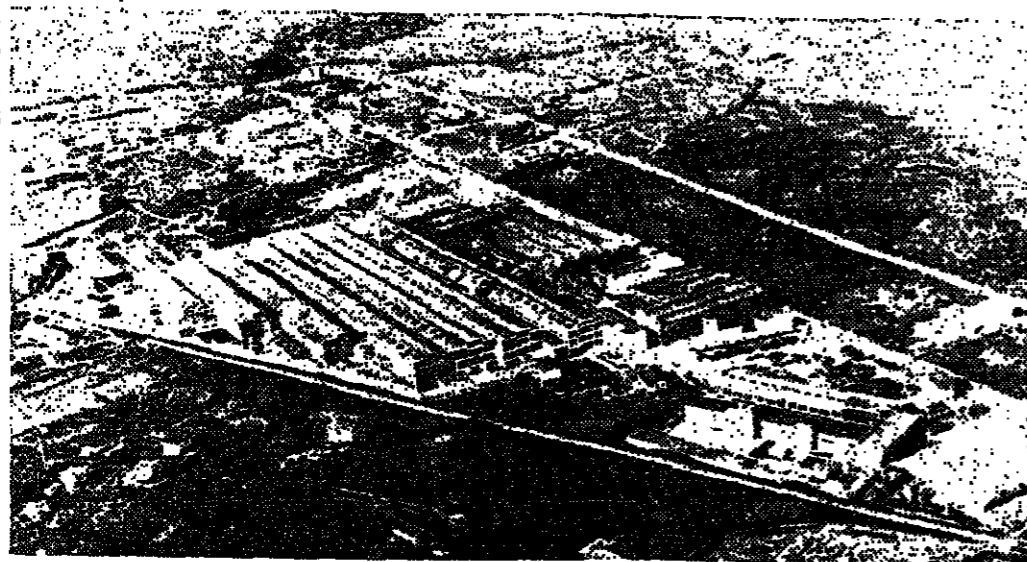
Midland Bank International

Midland Bank Limited, International Division, 60 Gracechurch Street, London EC3P 3BN. Tel: 01-606 9944.



THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ



Olarra's steelworks in the Basque area of Spain (left); and the after-effects of the sort of ETA violence from which Olarra claims to have escaped six times in one month.

SR. LUIS OLARRA, the fifth of nine brothers from a simple Basque background, and one of a small group of successful Spanish self-made industrialists...

Nerves of steel in the Basque business world

BY ROBERT GRAHAM



Luis Olarra

company and could easily find Pts 50m. "I had to make a gesture. But it was also the only means of averting bankruptcy..."

1—Companies that are export-orientated, or who have turned to export markets to absorb the slack in the domestic market, are being hard hit by the appreciation of the peseta...

The official reason for putting the company into temporary receivership was a move by the Bilbao Municipal Savings Bank to call in a Pts 50m (\$U.S.\$m) loan...

2—The cost of credit complicates the financial restructuring of companies, which must be done if they are to adjust to a more liberalised economy...

Performance bond risks



EXPORTERS ARE becoming increasingly worried when they are asked to provide performance bonds for governments whose standards of business ethics are not particularly high...

PART OF THE UNDERTAKING GIVEN BY THE EXPORTER'S BANK TO THE GOVERNMENT OF PAKISTAN

"The bank agrees and undertakes that if the supplier defaults in the execution of the contract, we shall on the date immediately following the date of default become liable to and shall within seven days of being called upon to do so, pay you the full amount of..."

who is authorised to speak on its behalf. In this situation American exporters are trying to obtain from the courts orders prohibiting the bank from paying against the Letter of Credit immediately. Instead the exporter should be given 10 days in which to prove that the call is unfair...

Performance bonds are in the form of bank guarantees in the UK and of letters of credit in the U.S. Of the two which operate in the UK, the less risky is a conditional bank guarantee which promises payment of indemnity only if the customer's complaint is supported by an arbitral award or documentary evidence...

"This guarantee is a continuing guarantee and covers all the clauses of the contract and the performance by the suppliers of all acts, required to be performed by them under it and we undertake to pay you the sum of Rs. . . . without any reference to the Suppliers and not withstanding any instructions or objections from them to the contrary."

For the first three of the four years that ECGD has offered this service, it was something of an insurer's dream: there were no claims. But recently the ECGD has received four claims arising out of the allegedly unfair calling of performance bonds...

unfair calls on these Iranian bonds have been made — and none are expected in London at present.

Collectively, the host of small industrialists that comprise Basque industry also know that a generalised menace of closure, which they hinted at in July, is a strong card. This led to negotiations by some 400 companies for a moratorium on social security contributions and a freeze on tax payments...

American companies take a gloomier view. Nine have already asked the courts for protection in the event of an unfair call. The Iranian Embassy in Washington has reacted by making a survey of those outstanding performance bond cases before U.S. courts and Iranian officials have indicated that they intend to test the enforceability of the Letters of Credit guaranteeing performance.

There are also reports of official threats to confiscate "security deposits" of American contractors, but these have to be seen in the context of the many threats now being made in Teheran. However, there is no doubt that the situation has been further aggravated in recent months by the increasing instability of the revolutionary regime and the persistent uncertainty about

Also American Bell International had been denied a similar application concerning Letters of Credit for \$30m, but has appealed. Its prospects are not considered to be very good. So far, temporary restraining orders—which allow for time in which to argue that a call was fraudulent—have been granted to five American companies and denied to four. These cases are probably only the beginning of a potential flood...

In fighting this legal battle American companies will also have to add some more substantive arguments to their complaints about uncertainty. On the basis of the U.S. Uniform Commercial Code they could well argue—for example, when a contract is cancelled—that "fraud" in the underlying transaction is so pervasive that it destroys the validity of Letters of Credit issued in connection with such transactions.

The U.S. courts would, in all probability, move much faster and without the hesitation shown so far should the Iranian authorities start to call on the outstanding Letters of Credit while repudiating the underlying contracts. American companies—and also probably companies in other parts of the world—could then claim that there exists a pattern of fraudulent behaviour which justifies temporary suspension of Letters of Credit or bank guarantees by the courts for a period which gives the exporter enough time to prove the unfairness of the call.

A. H. Hermann

All you need to be successful in conferences:

- 2,550 meeting rooms. Over 800 hotels worldwide. A warship. Some theatre restaurants. A few piers. A couple of race courses.

Just one phone call puts you in touch with all these places. That's Meeting Point — the streamlined venue-booking service from Trusthouse Forte. And because it's THF, you have the benefit of all the resources and experience of the world's largest hotel and catering group at your fingertips.

And only one telephone call.

Form for Meeting Point contact: Name, Address, Company, Phone Meeting Point logo, LONDON: 01-567 3444, MANCHESTER: 061-969 5151

Try putting 30 minutes information on the back of an envelope.

The back of an envelope has long been the traditional place for jotting down the odd note. But the amount of information it can accommodate is obviously limited.

The Philips Pocket Memo 185 slips as easily into your pocket as an envelope. But it records up to 30 minutes' worth of information.

Its attractive, elegant lines neatly encase a Philips mini-cassette and battery.

An end-of-tape warning device lets you know when it's time to change the cassette. While the ultra-sensitive electret microphone makes for remarkable sound clarity.

All in all, a slight advance on the envelope. Although envelopes do have their uses. You'll find one very handy for posting this coupon.

Simply years ahead.



Please send me more information about the 185 Pocket Memo and the Philips range of business equipment.

Name

Address

Tel:

To: Philips Business Equipment, Arundel Great Court, 8 Arundel Street, London WC2R 3DT, Tel: 01-836 4360.



WFT 15

Try to tell it how it is

BY BRIAN GROOM

THE LIST of villains accused of misusing or abusing the English language is long...

their own jargon (people who buy car parts probably don't know that some consider them part of an automotive aftermarket).

Imprecision

But my purpose is not to attack sitting targets. It is to show that people involved in finance, business and both sides of industry are all prone to imprecision.

Militant, moderate. These are normally used to describe members of the Left or Right of unions or of the Labour Party.

Rebounds. Those who misuse words often find that it ultimately rebounds upon them.

Imprecision is common. Do those who edit the publication of The Times expect old issues to reappear...

Miss Hortense and a fine French farce

BACK THIS week, you know how to mispronounce it, please it and change its colour. The amateurs among you may be wondering which varieties to choose.

Decadent. Are tea-leaves any use in the garden? Many gardeners put them there because they do not want them anywhere else.

Some-time Lucky a good bet. Foiled Again, this day daughter of Levrossus out to Time To Leave (herself a half-stirrer to the dams of Pistol Packer and Saritamer).

RACING. BY DOMINIC WIGAN. out on a racecourse since last autumn. Racing in the new families of Helena Springfield Ltd., which were carried with such distinction by One In A Million in the first half of the season.

and well-concealed young miss called Hortense. Miss Hortense had been working her passage discreetly, as essential to the grand old man of botany as his collecting-bottle and floral maps.

GARDENS TODAY. BY ROBIN LANE FOX. the lacecaps. Like Hortense herself, they put up a deceptive show in matters of sex.

Infertile. Hence they have that papery texture, reserved in nature for the infertile. Hence, too, my preference for the lacecap.

ENTERTAINMENT GUIDE. OPERA & BALLET. COLISEUM. Credit Card. 240 8258. Reservation. 335 3161.

THEATRES. DRURY LANE. CC. 01-836 8108. Evs. 8.00. Mat. 5.00. 2.30. 7.30. 9.30.

YORK. 2.00-Pollen Count. 2.30-Flash Connection. 3.00-Some-time Lucky. 3.30-Roger Bacon. 4.05-Downholme. 4.35-Bertram Personnel.

like it less than the admirable ayesha, a most unusual choice which grows slowly with shiny leaves and thick mop heads of cupped pink or blue flowers.

Against a wall, on lime and in almost any site, the price of them all is still plain villosa.

THEATRES. ROYALTY THEATRE. Portico Street. Kingsway. W. 1. 01-836 8108.

THEATRES. ROYAL COURT THEATRE. UPSTAIRS. 730 2554. Mon. to Sat. 8.00. Sun. 2.00.

THEATRES. SAVOY THEATRE. Strand. W. 1. 01-836 8108. Evs. 8.00. Mat. 5.00.

TV Radio

BBC 1. 8.40-7.55 am Open University (Ultra high frequency only).

F.T. CROSSWORD PUZZLE No. 4095

Crossword puzzle grid with numbers 1-30 and letters in some cells.

ACROSS. 1 Position of captain in drink? (5)

Conservative Party Conference further coverage, except 12.30-2.30 pm Close-down.

BBC 2. 7.05-7.55 am Open University. 9.05 Gharbar. 9.30 Conservative Party Conference.

RADIO 1. (S) Stereophonic broadcast. 5.00 am Radio 1. 6.00 Dave Lee Travis. 9.00 Peter Powell.

RADIO 3. 6.55 am Weather. 7.00 News. 7.05 You: Midwest Choice: Record requests.

LOCAL AUTHORITY BONDS. Every Saturday the Financial Times publishes a table giving details of LOCAL AUTHORITY BONDS on offer to the public. For advertising details please ring 01-248 8000 Extn. 266.

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THE ARTS

King's Head

Shades of Brown

by B. A. YOUNG

You must swallow some unlikely things in Michael Picardie's play about race-relations in South Africa...



Anthony Sher and Michael Picardie

Holiday Inn, Swiss Cottage

Jazz at the Terrace

by KEVIN HENRIQUES

Jazz at the Terrace is another laudable attempt to present jazz in more congenial and comfortable surroundings...

Festival Hall

Pollini by DAVID MURRAY

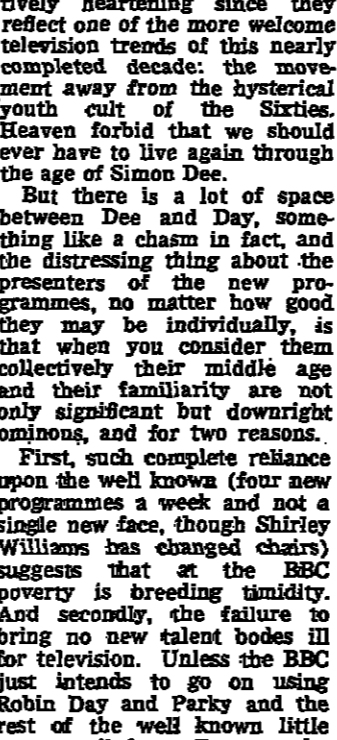
Another gnomie evening with Maurizio Pollini. The first half consisted of three Chopin masterworks, each presented as if on an isolated plinth...

Television

Yesterday's men tonight

by CHRIS DUNKLEY

Right, fingers on buzzers, I have a starter for ten: what do Michael Parkinson, Robin Day, Shirley Williams and Ned Sherrin have in common?



Robin Day, Shirley Williams, Ned Sherrin and Michael Parkinson

Tonight with five lots of chat more rigorous and topical than Parkinson on Saturday but, on the contrary, quite indistinguishable...

Odeon, Hammersmith

Chic

by ANTONY THORNCROFT

The Odeon Hammersmith is rapidly becoming the biggest disco in town. Last week Sister Sledge was gracefully gyrating away there...



The show has been without merit: Sherrin is a witty man, and as time passes and That Was The Week of 1982 (which he produced) fits increasingly clearly into the perspective of television history...

When Shirley Williams says minister "Let's just push this a bit further" it does not mean that she wants to move on to the next question on some list on her knee...

Odeon, Hammersmith

Chic

by ANTONY THORNCROFT

Edwards allows no escape and it didn't take long for the packed house to get up and twitch. Chic uses its mastery to play up a bit. It dared to perform We are family, the Sister Sledge hit...

public service such as the BBC also maintains a reasonable level of serious journalism. The trouble is that if you introduce too many soft options they can smother the smaller traces of hard journalism...

Of course the BBC never intended that Nationwide should be its sole daily current affairs programme. Newsnight was supposed to start on September 24...

Odeon, Hammersmith

Chic

by ANTONY THORNCROFT

Edwards allows no escape and it didn't take long for the packed house to get up and twitch. Chic uses its mastery to play up a bit. It dared to perform We are family, the Sister Sledge hit...

crews at Ealing. I understand that it will take at least two weeks to get the programme on air once agreement is reached...

It is to fulfil its public duty and offer serious journalism as well as instant mash. The BBC is going to have to recognise what is now an emergency and come up with a temporary alternative.

Odeon, Hammersmith

Chic

by ANTONY THORNCROFT

Edwards allows no escape and it didn't take long for the packed house to get up and twitch. Chic uses its mastery to play up a bit. It dared to perform We are family, the Sister Sledge hit...

£1m showbusiness exhibition centre. A film exhibition centre is to be built underneath the Palladium Theatre, London. Wine cellars there are being converted into an exhibition of the world of entertainment and its stars.

Mr. Louis Benjamin, managing director of the Palladium, announced the venture after months of speculation. The exhibition will open next spring and the 10,000 sq ft centre will house exhibits and more than 100 life-size figures of past and present stars...

Odeon, Hammersmith

Chic

by ANTONY THORNCROFT

Edwards allows no escape and it didn't take long for the packed house to get up and twitch. Chic uses its mastery to play up a bit. It dared to perform We are family, the Sister Sledge hit...

The alternative investment that has risen 638% in 10 years



Many investors today are moving some of their money out of traditional investments into alternative investments. Amongst these, rare classic stamps have been outstandingly successful...

A form for requesting information from L & A Philatelics Ltd. It includes fields for Name, Address, and a section for a 10-year record to March 1979 comparing stamps to other investment indices.

L & A Philatelics Ltd. Stamp Dealers & Brokers. Valuations for Probate.

Advertisement for Armagnac. It features a large illustration of a cognac glass and the text 'Louis XV gave V for one.' Below the glass, it says 'Brandy so elusive, you can't miss the chance of a glass.' The Armagnac logo is prominently displayed.

FINANCIAL TIMES SURVEY

Wednesday October 10 1979

Video Systems

The fiercely-competitive video industry has transformed the ordinary television set into a versatile display unit for selected information and entertainment. Many of the latest developments for commercial and domestic application will be on show in London during Video Tradex International at Wembley Conference Centre, October 15-18, 1979.

Complex range of rival products

By John Chittock

THERE HAVE been quite a number of expensive business failures in the video industry during the 10 years or so in which this technology has rapidly developed. The failures have left scars which are not easily forgotten, and these memories have tended to inhibit others and set an over-cautious tone for the business.

Decca, now with fresh scars to bear, will not look back happily over the fiasco of the TeD video disc system. Originally known as Teldec, this was developed by AEG-Telefunken with whom Decca joined forces for its UK marketing. Ulstein, a subsidiary of Axel Springer, invested substantially in the making of programmes for this video disc system. But in the early 1970s it suffered from delays and technical problems, and more seriously, on its commercial release it was unsupported by a sufficient range of programming to make the player appeal to consumers.

The system's limited playing time—10 mins per disc—was another major problem, and its technology had severe limitations despite its brilliance. TeD

cost Telefunken, Decca and Ulstein a great deal of money.

Another system of that era (some seven years ago and which had wider repercussions in its failure) was EVR—the first videocassette system. Invented by CBS and developed by ICI and CIBA-GEIGY, it led to the establishment of a film factory by Rank Bush Murphy to make the players—with others such as Motorola and Mitsubishi joining in. A processing plant for the film cassettes was built at Basildon by Iford, ICI's photographic subsidiary, and numerous other companies followed the EVR trail. All that is now dead and gone.

New failures are now awaited—with Philips, RCA, JVC, Matsushita, Thomson-CSF and Sony all either fighting or shadow boxing in the contest to bring a successful video disc machine into the market. Philips at least are there already in the U.S. with their VLP system, and expect a UK launch maybe by the end of 1980. But that contest is far from settled.

In the meantime, the newer videotape cassette systems which helped to topple EVR are now in a fierce company war—with Philips, Sony and JVC as the main competitors. This particular war may just fade away rather than ever be settled; maybe the market will adjust to accepting three incompatible systems side-by-side in the shops.

Against this scenario, investment in video seems a hazardous business. It is, but perhaps some of the problems could have been anticipated.

The TeD system failed because it took insufficient account of the consumer's real needs—alternative programming to television or the cinema, which

means first of all a real range of choice, second adequate playing time, third adequate accessibility to the programmes (via a good marketing network).

The EVR system failed because it either ignored other much more attractive developments in the pre-production laboratories of rival companies (e.g., the Philips VCR videotape recorder) or because the business intelligence about these newer systems was not available to the people who ought to have possessed it. EVR had no recording facility, and overnight it was made obsolete by the videocassette recorders of Philips, Sony and others.

Superb

In the current battle of rival videocassette and disc systems, the same principles apply. Philips has a commanding lead with its technically superb VLP system—and if it fails it will be due to marketing faults. In the U.S., the players are still only available in two cities with a waiting list of customers; the range of titles available on disc is also far from offering an unchallengeable alternative to television and the cinema. If RCA, JVC or another comes along soon and makes these parts of the equation right, the niceties of technological advantage will be of little consequence.

It is the same in the current battle for videocassette domination, but here the pros and cons are more finely balanced. The JVC VHS system is a much smaller machine than the Sony Betamax and the new Philips V2000—an important point in customer preference.

Yet Sony cassettes are smaller, and the Philips V2000 has a



A company video programme being shown at Abbey Life Assurance's City branch. The company has one of the most modern in-house colour video systems in Britain, with video equipment installed in all its 60 branches

much lower running cost, with more facilities built into the machine. These are the important perceived differences for the average customer, and perhaps, too, the simplicity of operation (a point on which none of the machines score highly).

Perhaps the engineers wield too much influence too easily in these projects. It should be all down to what the customer actually wants or is likely to need; not really so difficult to anticipate, even though more art than science is involved in making the assessments.

For the new investors, there is enough business intelligence available—and understanding of customer needs—to make some fair guesses. Investment in any kind of video duplicating plant is hazardous because the commercial battles still make it unclear which video disc and videocassette systems will survive; the technology is also very volatile—so such investments must be based on short, sharp gains. Investment in programming of the right kind may offer good returns because a big demand for programming is evident. Likewise, video

production facilities and studios will be in demand, encouraged, too, by the arrival of ITV2. There is also going to be a growing need for multi-disciplined information and advice. Broadcast television, film, video, audio-visual media, data systems and telecommunications are all on a relentless convergence course. Their interaction on the business and domestic communities are already being felt with teletext, viewdata, videocassettes and the possible implications of ITV2. Where can a businessman find an expert guide through

this economic / techno / socio maze? Such consultancies that exist still tend to be weak in certain areas of the media, and information sources are equally inclined to be fragmented.

Whatever business decisions have to be made for those wishing to exploit these developments, there is little disagreement about the influences and changes these activities will bring upon society. In the first two thirds of my own business life I have seen some amazing examples of the change—such as the stockbroker in Throgmorton Street who, in the early 1950s used to throw out of his window a piece of string with a bulldog clip on the end in order to receive the day's bargains via his dealer, in the street below.

Video display units are now at the dealer's elbow, and a broker's client can be told prices on the 'phone as he gives his buying or selling instructions. Long-distance diagnosis of a patient's physical condition is now also accomplished by doctors using similar technologies.

Mobility in business and science is thus becoming less important, especially in conveying information or data. The revolutions now brought by video and related media are mostly concerned with the streamlining of communication. But there may be other opportunities in the future to extend the impact beyond the conventional areas of communications.

For example, the flexibility of the video disc as an information store, connected to a computer, brings pictorial data into the data stream for the first time—so that designs, identification of places and people, even visual concepts, all become amenable to the random

creativity of the computer. For the consumer, it means greater freedom. The television set becomes a versatile instrument on which information as well as entertainment can be obtained—and with a much greater degree of personal control and selectivity than has been possible before.

As Prestel begins to penetrate the UK, with its dial-up data store available on the home TV set, the first practical consequences will be the release of frustrations—such as waiting for someone to answer the phone in a search for train times or air bookings, finding out where to throw out of his window a piece of string with a bulldog clip on the end in order to receive the day's bargains via his dealer, in the street below.

Spectre

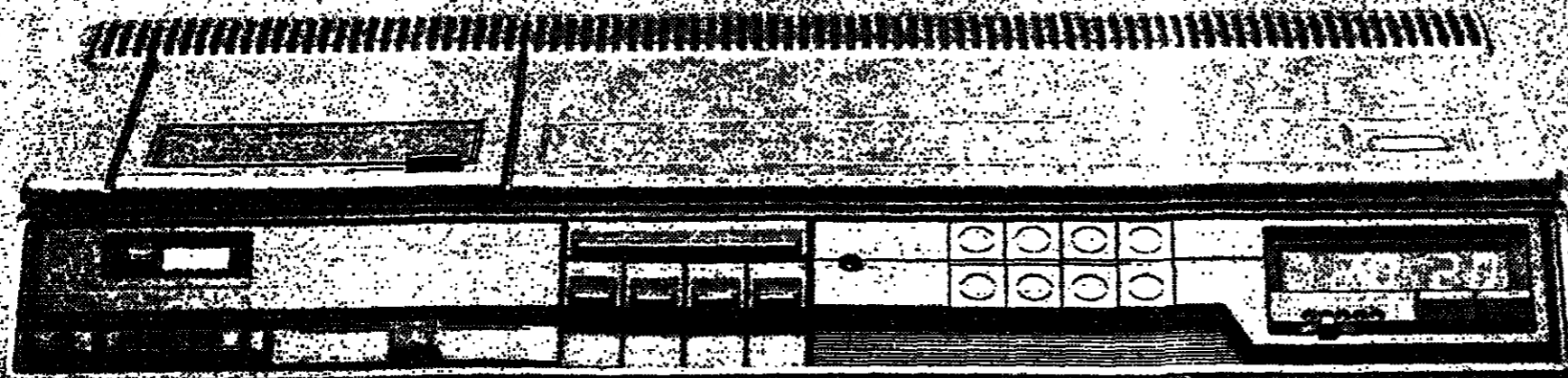
Perhaps these developments will also mean that the social pressures on mobility will change. People, homes and offices will become more self-sufficient and travel will be less necessary except for social intercourse.

This does raise the spectre of a society which is more self-centred, and many would agree that there is enough evidence of that happening already. As video technology becomes better, smaller, cheaper and more versatile, the older processes which relied on human skill and control—such as film production—will die.

Could our capacity to respond to other human beings also die as we lose the need to depend on people for our technology? Or could there be a huge backlash—a renaissance in art and all things organic? Perhaps the investor of the future should look to the past for new areas of business growth.

PHILIPS

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Compare the playing time.



Then compare the price.

The NR702 is the latest Philips video cassette recorder.

It uses the VCR format, already recognised as giving the best picture quality.

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Before you make a big investment in something like a video cassette recorder, it's nice to know what the top men in the field think.

You're hardly likely to find yourself chatting to a television video engineer in the pub, so here, courtesy of Sony, is a brief report on what the professionals choose when it comes to video cassette systems.

The system the television stations use is one developed by Sony.

It's the result of more than twenty years of original research by Sony and, although there are minor differences, our professional system uses the same technology as our Betamax home video.

Television stations throughout Europe are using the Sony system, and in the US almost 90% of news broadcasts are recorded on Sony.

(Which may have something to do with the fact that Betamax has been the most widely used home video system in the US.)

So, clearly, there's no doubt that Betamax gives the highest possible picture quality.

But there's something more. Betamax is surprisingly easy to use.

It has, for instance, a device called Automatic Programme Search, which means instead of running through three hours of tape to find the beginning

of a programme, you press a button and the show starts right on cue.

While if you want to see another part of the tape, that's easy too.

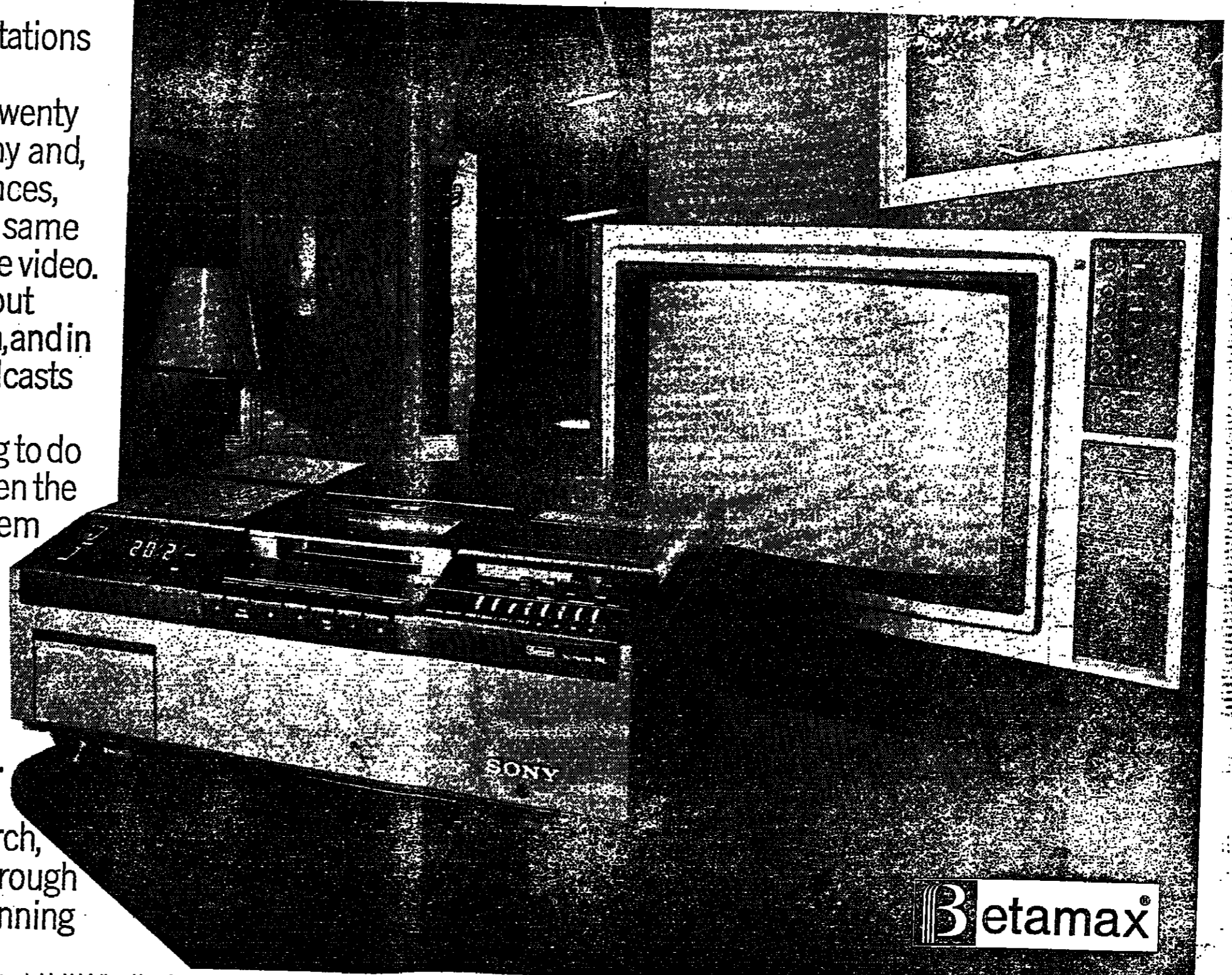
You can press the fast forward or rewind buttons without having to stop the tape every time - one operation instead of four.

And to give your tapes a really

professional look, there's a remote pause control, so you can cut out the bits you don't want to see again, like the irritating adverts.

We want you to swear by the Betamax, not at it.

SONY.
Sony (UK) Limited, 134 Regent St, London W1R 6DJ. 01-439 3874.



Betamax

Companies and Markets

UK COMPANY NEWS

Lesney tumbles £3m to £0.5m at halfway stage

A PROFITS dive of nearly £3m is reported by Lesney Products...

comment Lesney's first half profits—the maintained gross dividend is

uncovered—have been hit for six on nearly all fronts...

24% rise by Ruberoid at halfway

TAXABLE PROFITS of £559,000 are reported at Ruberoid for the six months to June 30, 1979...

Bejam jumps to record £6m

FOLLOWING the midway increase from £2.34m to £2.74m, profits before tax of the Bejam Group rose from £4.42m to a record £5.04m...

comment Bejam got its margins right in the second half. After a disappointing interim when profits growth lagged well behind sales...

housewives rush to stock up freezers against shortages. Although this should have been a one-off surge...

Slowdown at Highland Electronics

TAXABLE PROFITS of Highland Electronics improved by 10 per cent to £610,198 for the year to April 30, 1979...

A major downturn in the second half at hearing aids and industrial noise control subsidiary Ardente resulted from the bad winter and increased promotion of the free-issue government hearing aid...

Amal. Power dives to £0.8m

Pre-tax profits of Amalgamated Power Engineering tumbled from £3.11m to £796,000 in the first half of 1979...

comment There may be an element of bear closing in Amalgamated Power Engineering's 3p price rise yesterday to 52p...

seriously interrupted output in the first six months. In addition, the worldwide depression in heavy engineering reduced orders in the heavy diesel engine and gear divisions...

the 31-week strike in the Bedford division, which effectively stalled production for two months, were well enough known but a notable proportion of the first half damage was inflicted by the transport disruption...

the 31-week strike in the Bedford division, which effectively stalled production for two months, were well enough known but a notable proportion of the first half damage was inflicted by the transport disruption...

comment There may be an element of bear closing in Amalgamated Power Engineering's 3p price rise yesterday to 52p...

Table with 2 columns: 1978-79, 1977-78. Rows include Food turnover, Freezer & other, Total turnover, Profit before tax, Tax, Net profit, Dividends, Retained.

comment There may be an element of bear closing in Amalgamated Power Engineering's 3p price rise yesterday to 52p...

The Mediterranean Insurance & Reinsurance Company Limited

The above Company was incorporated on 28th October, 1978 with an authorised capital of £10,000,000 (£5,000,000 Paid Up) and received D.O.T. permission on 20th December, 1978...

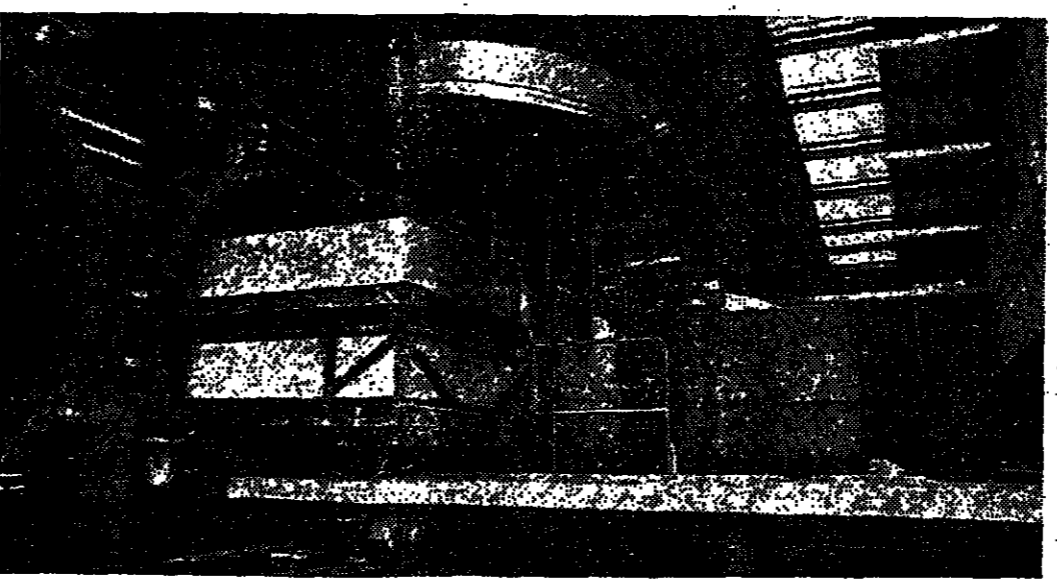
The Board of Directors consists of: A. Kam-Mustapha (Algerian) Chairman, O.F. Anezi (Libyan) Deputy Chairman, W.J. P. Arber (Executive Director), M.L. Tirah (Algerian), M.A. El-Jeridi (Libyan), G.A. Austen, A.F. Benmalck (Algerian), A. Shalgham (Libyan), I. Dickson Leach, O.B.E.

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C.10.10

Silentnight ahead in first half

AFTER A difficult first quarter, Silentnight Holdings, maker of beds, upholstery and furniture, improved pre-tax profits from £1.75m to £1.88m for the six months to July 28, 1979...

comment Some disappointing news from Silentnight Holdings caused the market to frown yesterday and the share price dropped by 8p

to 78p. The reasons for the company's failure to meet expectations included the after-effects of the road haulage strike and inclement winter weather...

comment Some disappointing news from Silentnight Holdings caused the market to frown yesterday and the share price dropped by 8p

indicating a fully taxed p/e of 8. The interim dividend has been increased by 30 per cent and if the final rises by the same then a prospective yield of 5.2 per cent will be possible.

BMCT BUILDS UP WARDLE STAKE

Mr. Graham Ferguson Lacey has built up a stake of 29.99 per cent in Bernard Wardle, the vinyl-coated fabrics group...

DIVIDENDS ANNOUNCED

Table with 5 columns: Company Name, Current payment, Date of payment, Corre. div., Total last year. Lists companies like Assec. Biscuit, APE, Bejam, etc.

BARR AND WALLACE ARNOLD TRUST LIMITED

Interim report for seven months ended 31st July 1979.

Table with 3 columns: 7 months 1979, 7 months 1978, 12 months 1978. Rows include Turnover, Divisional Profits, Profit before tax, etc.

Textile machinery: Europe dominates but Britain flags

By RHYS DAVID, Textiles Correspondent

WHILE EUROPE as a whole has achieved a dominance in the world's textile machinery industry, for many in the British industry the past few years have been a chastening experience. Since the 1974 oil crisis, textile industries around the world have been in the doldrums and this has meant greatly reduced orders for the machinery makers.

The industry throughout Europe has suffered, with redundancies and bankruptcies taking place even in West Germany, the world's biggest exporter. But the U.K. performance relative to the rest of Europe has been poor.

The strength of Europe in the now very complex textile machinery sector was recently highlighted in a speech by Mr. Robert Small, president of the American Textile Manufacturers' Association.

He made an urgent appeal to U.S. textile machinery manufacturers to improve their product range. A major re-equipment programme costing possibly up to \$2bn a year was about to be undertaken by textile producers, he announced, yet as much as half of this would probably have to be spent on equipment overseas, mostly from Europe.

While the manufacture of textile goods has spread around the world, textile machinery with its demand for very high precision engineering standards, and its increasing use of microprocessor control has remained a developed country

product. Within the OECD bloc it has been the Europeans who have consolidated their hold on the sector which now has total worldwide sales reckoned conservatively to be worth over \$8bn a year.

Five European countries—Germany, Switzerland, the UK, Italy and France—account for more than 70 per cent of OECD exports, with Germany alone taking a 30 per cent share. Japan and the U.S. each have only about 10 per cent of OECD exports.

Rapid advances

The power of the big European groups is on show up to tomorrow at the quadrennial International Textile Machinery Association exhibition in Hannover.

With labour and other costs rising in both developed and developing countries, the main pressure on machinery builders from their customers is to come up with equipment which will produce yarn or fabric more quickly and with fewer operatives. As a result, even some of the newer technologies such as rotor spinning have undergone rapid advances in very short periods. Machines on show at Hannover have rotors operating at 70,000 revolutions a minute, double the figure of less than 10 years ago when the system was first perfected.

Britain's textile machinery industry is the third largest exhibitor at ITMA after Germany and Italy, with more than 100 companies in all.

In spite of a very high dependence on export markets—roughly 70 per cent of sales—textile machinery has been caught up in the general decline of UK industry. Sales last year of the industry's principal products were running at only around 54 per cent of those in 1975. Employment has fallen to a much smaller extent—down in 1977 to around 35,600, compared with 40,400 in 1973—so that output per employee has been sharply reduced. The UK share of the home market, though it has recovered from the low point of 37 per cent in 1976, is still at around 43 per cent, some way below the figure at the start of the decade.

In world export markets Britain's overall share was down from 12.9 per cent in 1970 to 8 per cent in 1977 (the latest year for which figures are available). In spinning the fall was from 14 to 8 per cent, in weaving and knitting from 13 to 5.6 per cent and in auxiliary machinery from 17 to 11 per cent, while in finishing machinery a modest rise from 8.3 to 6.6 per cent was recorded.

The reasons for this poor performance are varied, though in many cases they reflect problems in other sectors of British industry. Britain's weaving sector, which had a dominant place in world markets in the immediate post-war years failed totally to invest in newer techniques at a time when the Swiss were pouring large sums of money into the development of new fast, shuttleless looms. Blackburn-based Northrop—once one of the

world's biggest loom builders—has concentrated mainly on production of shuttle looms for developing countries, though it is showing at Hannover its first ever shuttleless loom. In the meantime Sulzer, the Swiss group, has recently celebrated its 70,000th shuttleless loom sale, and is being chased by the two other Swiss weaving giants Saurer and Ruti.

While the Swiss, Germans and French were building up their weaving industries, there was a strong and, as it turned out, misplaced belief in Britain that knitting was likely to become the more important method of fabric construction. Bentley Engineering, which will be showing a revitalised range of products at Hannover, has been one victim of knitting's subsequent "trauma". The company was heavily over-committed to double jersey machinery with very large sales into the U.S. at a time when fashion swung violently away from the knitted look and feel in the mid 1970s.

There have also been serious weaknesses in product design as Platt (part of Stone-Platt) discovered after its acquisition of the U.S. company Saco-Lowell how other groups operated. Platt, which specialises in spinning equipment found that its new subsidiary was producing twice the sales and twice the added-value per man-hour of its British equivalent, and was able to compete with the similar British product range in world markets while paying its employees twice as much.

The key difference turned out

not to be in investment—Platt's UK factories were in fact equipped with somewhat more modern machinery—but in the design of products to the lowest cost. Saco-Lowell's machines were designed to be much easier and cheaper to produce, a lesson Platt has now tried to learn itself.

The British industry has also been faced with other problems less easy to handle. Smaller companies such as Crosrol, which claims to be technologically at least as good as its major Continental competitors in the manufacture of specialised fibre preparation equipment points weakly to the excessive attention that needs to be paid to labour relations and to the difficulties of introducing or achieving the full benefit of productivity improvements.

The old buildings from which much of the industry operates are also a major drawback, yet as Mr. Edward Smalley, managing director of Stone-Platt points out, building costs are prohibitive. "In the U.S. we were able to put up a 50,000 sq ft extension for \$22 per sq ft. In the UK it would cost £22 per sq ft and take longer to complete."

Stone-Platt itself has recently reported a loss of £1.1m in its textile machinery division, as a result of delays in one major contract, the rise in sterling's value, and the worldwide recession. The loss was sustained entirely in the UK, however; it more than offset profits made by Platt-Saco-Lowell plants in the U.S. and Spain.

Against this background some

of the smaller manufacturers in Yorkshire and Lancashire have all but given up the struggle to continue producing their own machinery, having found that better profits could be made as agents representing the established German, or the expanding Italian machinery groups.

The Bentley group, part of Sears Holdings, has cut its labour force back significantly to the present level of around 3,000, and rationalised production in Britain to fewer sites in and around Leicester.

Bentley's strategy for avoiding future cyclical slumps has been to broaden its base in knitting, in part through a number of selected acquisitions of Continental companies.

Re-equipment

Platt-Saco-Lowell, too, has been forced to cut back heavily on employment but has recently completed a major re-equipment of its foundry at Bolton at a cost of £1.25m. The company claims its share of the expanding open-end, or rotor spinning, market outside Comecon doubled last year from 6 to 12 per cent.

The British industry's future depends, however, on whether this investment can be put to good use in winning a share of bigger export markets. Many smaller markets prove good customers for the UK, with Egypt one recent example, but orders from many developing country markets are likely, however, to be one-off, and the

report of the industry's NEDO sector working party earlier this year strongly urged much greater concentration on countries with continuing large requirements. Though developing countries are increasing their purchases of textile machinery, OECD countries still accounted for just under 60 per cent of imports in 1977. The U.S. has been the biggest importer of textile machinery throughout the 1970s with Italy, Germany, France and the UK occupying the next four places.

In the domestic market there is a need to win back market share from the German, Swiss and Italian suppliers. The first moves to strengthen links with UK customers have taken place with the setting up of a textile machinery/knitting joint working group and the working party hopes this exercise can be extended to other sectors. In the knitting sector Bentley is seeking to fill one major gap—tight machinery—with the development of a new machine which it hopes will challenge the dominance of the Italian Billi group.

It is too soon to say whether these moves will produce a revival in the fortunes of the British textile machinery sector, and much is going to depend on the level of world sales over the next few years. The U.S. economy probably holds the key to this, for any downturn will not only depress U.S. demand for new machinery but will have a ripple effect on its textile suppliers in the Far East, as well. World sales of textile machinery recovered last year


from the very depressed levels of 1977, but there have been signs of slowing down again this year, possibly as companies wait to see what is being shown at ITMA.

There must be some doubts too over the structure and size of the UK textile machinery industry, which apart from the three big groups—Platt-Saco-Lowell, Bentley and James Mackie, the Belfast-based producer of coarse fibre processing equipment—consists mainly of rather small companies. Though some groups such as Hunt and Moscrop the Manchester finishing equipment makers now have diverse engineering interests, others have more limited resources and may not be able to take advantage of new opportunities. The standards which manufacturers will have to meet in terms of noise, dust, and pollution levels are likely to go on increasing not only in the developed countries, but in the developing countries as well, and this is likely to put further pressure on the smaller producers' ability to compete.

Yet textile machinery is an industry which Britain would be wise to retain and build up. It is an employer of skilled labour producing high value goods, the technological content of which is likely to go on increasing with the advent of microprocessor control.

There is a danger that Britain, unless it can develop a stronger textile and textile machinery industry, could by the end of the century find itself without either.

The war that never ends



We British are a peaceful people. When a war is over we like to consign it to the history books—and forget it.

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	0-60 mph	mph	mpg	litres/100 km	mpg	litres/100 km
2300	10.8 secs	114	36.8	7.7	31.0	9.1
2600	9.0 secs	118	38.2	7.4	30.2	9.4
3500	8.9 secs	122	36.3	7.9	27.9	10.1

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MINING NEWS

UK COMPANY NEWS

Ashton diamonds found at greater depth

BY PAUL CHEESBRIGHT

DIAMONDS have been found at depth by the Ashton joint venture...

providing 8,455 stones weighing 929.77 carats. The largest stone was 6.15 carats.

Although earlier valuations of the Ashton stones had shown a 60 per cent gem content, doubts linger about the estimate...

Uranium growth for Freeport

FREEPORT MINERALS, the diversified New York group, is spending \$40m (£18.6m) on a new plant to recover uranium oxide from phosphoric acid.

Marshall, the company's chairman, says that after the sale of the 60 per cent holding in the Nigerian Uranium and Columbite Corporation...

The investment decision emphasises the developing interest in this form of uranium recovery among North American companies.

WMC-BP VENTURE Western Mining Corporation and British Petroleum have been given Australian Government approval...

AWAITS FUNDS IN THE annual report of Gold and Base Metals Miner...

Bowthorpe increases to £3.64m midway

PROFITS BEFORE tax of Bowthorpe Holdings, the electronics accessories group, rose from £3.3m to £3.64m in the first half of 1979...

Norman Castle quits EIH

Mr Norman Castle (former chairman of S. and W. Berisford) has resigned as chairman of Edinburgh Industrial Holdings...

comment

Bowthorpe continues to turn in steady growth in line with market expectations. Margins have held up surprisingly well...

comment

Mr. Castle expressed the view that he thought the group's three industrial trading subsidiaries were profitable and could be developed...

Senior Engineering shows second-quarter recovery

TAXABLE profits of Senior Engineering Group, trader in engineering products, slipped from £2.73m to £2.42m in the first half of 1979...

£1.26m (£1.42m), earnings per 10p share are shown to have fallen from 1.76p to 1.56p.

comment

Amid the clamour of the national engineering dispute, the effects on the industry of the transport strike last winter appear to have been forgotten.

comment

Following the warning in May M. F. North, hotel proprietor, reports a £35,200 fall to £152,500 in first half 1979 pre-tax profits.

M. F. North lower and cautious

Following the warning in May M. F. North, hotel proprietor, reports a £35,200 fall to £152,500 in first half 1979 pre-tax profits.

Sir Cyril Black, the chairman, says that trading conditions in the early part of the year were upset by the severe weather and industrial unrest.

The net interim dividend is effectively stepped up to 0.125p (0.108p)—an adjusted 0.486p total was paid last year.

NELSON DAVID

The report and accounts of Nelson David for the year to 1978 were £81,500 (£82,600).

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COMPANY NOTICES NORTH OF SCOTLAND HYDRO-ELECTRIC BOARD 8% 1969/1984 UA 3,000,000

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INTERNATIONAL COMPANIES and FINANCE

Companies and Markets

NORTH AMERICAN NEWS

Control Data stages sharp advance

BY OUR NEW YORK STAFF

CONTROL DATA, which is among the eight largest computer companies in the world, yesterday announced sharply improved earnings for the third quarter ended September 30. Consolidated earnings in the quarter were \$37.9m, compared with \$24.1m in the same quarter of 1978.

Control Data says its computer business order book remains strong and prospects good. In spite of the current pressure on interest rates it also expects higher earnings this year from its Commercial Credit subsidiary.

will take Honeywell into an area of the market in which it is unrepresented and which is dominated by the series 3000—machines which International Business Machines announced over two years ago. The biggest computer in Honeywell's new range is 75 per cent more powerful than the biggest model in its existing catalogue.

The mainframe computer business in the U.S., of which Honeywell claims an almost 9 per cent share, "has been running strongly in recent months with long order books for many of the suppliers."

International Paper earnings ahead

INTERNATIONAL PAPER, the world's largest paper producer and a major factor in building materials, achieved third quarter earnings of \$225m or \$4.69 a share compared with \$25.8m or 54 cents a share for the corresponding period of 1978.

Peak sales and profits at Dana

BY OUR FINANCIAL STAFF

DANA Corporation, the fast-expanding Toledo-based truck and car components group, has notched up record sales and profits for the eighth successive year and increased its dividend for the twelfth successive quarter.

Fourth quarter earnings were \$38.8m or \$1.12 a share on sales of \$642m, compared with \$36m or \$1.13 a share on sales of \$590m for the corresponding period of the previous year.

group turnover and industrial lines 19 per cent. The industrial group boosted its sales by \$145m or 34 per cent.

Advance at Western Bancorp

LOS ANGELES — Western Bancorp, the largest U.S. multi-state bank holding company, expects its geographical concentration in the west will make it "least affected" by the Federal Reserve Board's anti-inflation move.

Whirlpool sees better results for the year

Whirlpool Corporation, the home appliance maker, expects 1979 consolidated results to exceed last year's, despite a moderate softening in industry shipments in the fourth quarter.

At the nine-month stage, net earnings are 3 per cent up at \$85m, with share earnings at \$2.35 a share against \$2.28. Sales are 6 per cent higher than a year ago at \$1.74bn.

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INTERNATIONAL CAPITAL MARKETS

Wider market call for Carter bonds

By Our Euromarkets Staff

TALKS between the U.S. and West Germany about the possible launching of a second issue of "Carter bonds" have been held during the past two weeks, but no official talks have yet taken place between German banks and the Bundesbank.

New Zealand issue is first Eurodollar casualty

BY FRANCIS GHILES

THE \$40m straight dollar issue for Development Finance Corporation of New Zealand, which was launched last Thursday, became the first casualty of the sharp rise in yields which has taken place in the Eurobond market in the wake of the measures announced in Washington last weekend.

Professional dumping of dollar bonds in the secondary market continued yesterday. Some bond houses insist that selling is not only by professional dealers but that clear evidence of institutional selling also exists.

ward to today's trading. In sharp contrast to the disarray in the dollar sector, the Deutsche-Mark sector of the bond market accommodated a large volume of new issues. A DM 225m public issue for the EEC was launched yesterday by Deutsche Bank. The borrower is paying a coupon of 7 1/2 per cent for the 15-year issue.

Advertisement for CENTRO SIMON BOLIVAR, C.A. featuring a logo and text: CARACAS, VENEZUELA US \$116,280,000 Short Term Loan. Wells Fargo Bank, N.A. is the lead manager.

Peak 15% prime rate forecast

BY OUR EUROMARKETS STAFF

SENIOR PARTNER Mr. John Whitehead in Goldman, Sachs and Co. expects U.S. short-term interest rates to peak during the rest of this year, leaving the basic bank prime rate at around 15 per cent.

Whirlpool sees better results for the year

BENTON HARBOR

Whirlpool Corporation, the home appliance maker, expects 1979 consolidated results to exceed last year's, despite a moderate softening in industry shipments in the fourth quarter.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists.

Setbacks for savings groups

By Our Financial Staff

TIGHTENING CONDITIONS in the domestic credit markets are reflected in trading results from two major savings and loan groups.

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Table of international bond issues with columns for Country, Issued, Bid, Offer, Change, and Yield. Includes sections for U.S. QUARTERLIES, SWISS FRANC STRAIGHTS, and OKLAHOMA NATURAL GAS.

INTERNATIONAL COMPANIES and FINANCE

MEDIUM TERM FINANCING

Demand for energy debt expands

BY JOHN EVANS

ENERGY-RELATED leading in syndicated loans is suddenly taking up a large slice of Euro-market activity...

weather satisfactorily the impact of OPEC prices. Present trends now seem to suggest that a good proportion of the new borrowing to surmount the new OPEC price structure will be devoted to energy-diversification with positive foreign exchange savings to the countries concerned.

natural gas pipeline connecting Damper and Perth. The cost of this project is estimated at about \$476m. The two banks will advise on the best ways of financing the pipeline and analyse the technical, market and foreign exchange risks.

the \$5bn programme up to 1985. Another credit, of "well over \$500m" is about to be raised for Malaysian Liquefied Natural Gas, which represents the local interests of Shell, Petronor and Mitsubishi.

Murdoch group earnings up sharply

By James Forth in Sydney

NEWS LTD, the international media group controlled by Mr. Rupert Murdoch, plans a capital reconstruction after a 60 per cent rise in earnings to a record level, with the UK operations contributing a large part of the improvement.

Liquidator appointed to New Zealand insurance broker

BY DAI HAYWARD AND JOHN MOORE

THE NEW ZEALAND Justice Department has appointed a provisional liquidator for R. Tether (Insurance), an Auckland insurance broker, following an extensive investigation into the affairs of the company and its links with the Commodore General Insurance Company of Hong Kong and Commodore's representative company in London, Commodore Reinsurance (Management) Company.

that he had a binding authority from Commodore Reinsurance (Management) Company, London. This arrangement allowed the Tether company to accept business on behalf of Commodore up to certain limits.

Hutchison's Provident offer 50% above value

By Philip Bowling in Hong Kong

HUTCHISON WHAMPOA'S offer of HK\$35.42 a share in cash for the minority of wharf and property subsidiary China Provident is nearly 50 per cent above net asset value, according to the offer document just published.

Statoil to take control of oil distributor

By Fay Gjester in Oslo

NORWAY'S OIL and Energy Ministry will shortly seek approval from the Storting (parliament) for a refinancing and restructuring of Norol, the state-dominated oil-refining and marketing company.

Sodra expects to halt losses

BY VICTOR KAYREZ IN STOCKHOLM

SÖDRA Skogsägarna, the southern Swedish forest owners' industrial group, which is Europe's largest market pulp producer, is expected to break even for 1979 after two years of heavy losses, according to the interim report.

(\$405m), compared with a 1978 loss of SKr 237m on sales of SKr 1,577m. The main factor behind this improvement was higher prices for the chemical pulp division, which accounted for one-third of turnover and increased its earnings after capital expenditures by about SKr 169m, according to Södra.

second half to cover capital expenditures. Nearly all the SKr 231m in first-half investments went to the Mönsterås sulphate pulp mill which will open later this autumn, increasing the group's pulp production capacity by more than 100,000 tonnes to about 900,000 tonnes annually.

CSR bids for remaining stake in Haughton

By Our Sydney Correspondent

CSR, the industrial and mining group, has launched an AS\$7m (U.S.\$5.3m) bid to acquire the 34.2 per cent of Haughton Sugar Company which it does not already own.

Challenge Corporation seeks local strengths

BY OUR FINANCIAL STAFF

CHALLENGE Corporation, New Zealand's largest commercial group, intends to develop in areas in which New Zealand has a competitive advantage, and to prune in other areas.

profits by 56.6 per cent to NZ\$16m (U.S.\$16m) following the 21 per cent fall in the previous year to NZ\$10.3m. For the first time, the group's turnover rose above NZ\$1bn, to total NZ\$1,020m, or 34 per cent more than the NZ\$757.9m of the previous year.

Norwegian metals group lifts profits sharply

BY OUR OSLO CORRESPONDENT

BUOYANT WORLD demand for aluminium and ferro alloys has sharply improved turnover and profits this year for Elkem-Sjerveverket, the Norwegian mining, engineering, metals and manufacturing group.

Holmens Bruk ahead after eight months

By Our Stockholm Correspondent

HOLMENS BRUK, the Swedish pulp and paper group, forecasts a 1979 pre-tax profit of SKr 95m-105m (\$23m-25m), well above last year's SKr 58m but still short of the 1974 peak of SKr 146m.

the Norwegian price freeze and the general decline in home demand. The rising trend of sales and profits for the group as a whole is, however, expected to continue through the rest of 1979.

For the year as a whole the group, Europe's biggest newsprint manufacturer, expects sales to reach SKr 2,030m (\$487m), an increase of 14 per cent.

Akzo returns to dividends

By Our Financial Staff

AKZO, THE Dutch chemicals and fibres group, is to pay an interim dividend of Fl per share for 1979. This will be the first payment shareholders have received since 1974 when Akzo handed out a dividend of Fl 1.2.

Promodes surplus halved

PARIS — The French stores group, Promodes, had net attributable profits for the first half of 1979 of FFr 30.44m (\$7.4m), on sales of FFr 4.1bn (\$1bn), according to a brochure prepared to mark the company's introduction to the Paris bourse.

The 1979 pre-tax profit figures include SKr 20m in stock gains for January-August and an estimated SKr 22m for the entire year. No such gains were recorded in 1978.

Malaysian News

Three-for-two rights from tile maker

BY WONG SULONG IN KUALA LUMPUR

MALAYSIAN mosaic and tile manufacturer, Fancy Tile Berhad, has announced a rights issue to raise 9m ringgit (U.S.\$4.2m) for expansion and acquisition. The issue will be a three-for-two at 1.2 ringgit a share.

of Honda cars, appears to be slowing down, after three impressive years. The group reports that although turnover for the first six months of this year rose by 44 per cent to 70m ringgit (U.S.\$32.6m) pre-tax trading profit was only 22 per cent higher at 11.8m ringgit (U.S.\$5.3m). The after-tax profit was 6.4m ringgit, or 16 per cent up.

that it would achieve a pre-tax profit of 20.5m ringgit for the full year, as earlier forecast.

THE GOVERNMENT-owned Food Industries of Malaysia (FIMA) is to set up a 60m ringgit (U.S.\$28m) electro tin plate plant in partnership with two Japanese concerns and other Malaysian interests.

Public Textile Berhad is making a bonus issue of one-for-four to capitalise on the revaluation surplus of its land and buildings. This would raise the paid-up capital to \$7m ringgit. The company recently declared a 5 per cent tax free dividend for the first time, although its half-year profit of 280,000 ringgit at June was marginally higher than the previous half.

Its subsidiary, Oriental Rubber and Palm Oil Berhad, which was purchased from Jardines last year, contributed nearly 600,000 ringgit to the group's earnings. The other subsidiaries, which include real estate development, finance company and automotive parts manufacturing, also contributed to the profits.

Elsewhere, the palm oil producer, Trengganu Development and Management Berhad, reported a good half year, with pre-tax profits rising to 1.9m ringgit (U.S.\$890,000) from 940,000 ringgit. Both its palm oil estates, and its investments in a refinery, Palm Oil Products Berhad, contributed to the rise.

Dr. Mahathir, Malaysian Deputy Prime Minister, and FIMA's chairman, said that the Japanese partners would provide the technology for the plant, which is expected to be in production by the end of 1981.

Davy Corporation advertisement featuring a world map and text: 'Engineering and construction - Equipment design and manufacture - Strong across the world - Financed by the Davy Group with M&A'.

Table with 3 columns: Highlights of the year, 1979 £ millions, 1978 £ millions. Rows include Turnover, Profit before tax, Net assets employed, Orders in hand at 30th June, Forward load at 30th June, Earnings per share. Includes a summary of business performance and a list of key events.

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□ International Trade. This is one of our greatest strengths. Key services for international operations, such as letters of credit, foreign drafts, overseas collections. Vital services that have earned us a reputation for efficiency and accuracy.

□ Money Market Center. Set up to serve corporate investment needs. Short term or long term. With bankers' acceptances, domestic CD's, commercial paper, U.S. Governments, Federal Agencies. In addition, we are an active municipal dealer.

□ Cash Management. A range of services to help you manage your money more intelligently. And a computerized reporting system that gives you access to daily balances and transactions immediately after posting.

□ Leasing. Our affiliate, Euramlease, Inc., can advise you on the best way to lease the equipment you need and they can do it worldwide.

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EAB has seasoned professionals with the attitude and dedication it takes to evaluate your FX problems and needs intelligently and innovatively. Experienced, first-rate bankers who can understand your real needs. And how to best meet them with fresh solutions that help your business.

If you would like more information about European American Bank and what our foreign exchange expertise and corporate services can do for your corporation, contact: Horst Duseberg, Executive Vice President, European American Bank, 10 Hanover Square, New York, N.Y. 10015. (212) 437-4561.

EAB
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CURRENCIES, MONEY and GOLD

Dollar soft

The dollar was slightly firmer against most major currencies but finished around its lowest levels of the day after the latest measures to support the dollar had led to heavy demand in early trading.

The yen was slightly firmer however, with the dollar closing at ¥225.85, compared with ¥225.90, while the pound was strong, helped by the higher oil prices announced by Kuwait.

Sterling opened at £1.1360, 2.1370, the lowest level of the day, and touched £2.1580-2.1590 as the dollar lost ground in the afternoon.

NEW YORK—The dollar was mixed in early trading, after rising against most currencies in previous European trading.

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

Table showing exchange rates for various currencies including Pound Sterling, U.S. Dollar, Deutschmark, Japanese Yen, French Franc, Swiss Franc, Dutch Guilder, Italian Lira, Canadian Dollar, and Belgian Franc.

EURO-CURRENCY INTEREST RATES

Table showing interest rates for various currencies including Sterling, U.S. Dollar, Canadian Dollar, Dutch Guilder, Swiss Franc, West German Mark, French Franc, Italian Lira, Asian \$, and Japanese Yen.

INTERNATIONAL MONEY MARKET

U.S. rates firmer

Interest rates rose sharply in New York yesterday on the first full day of trading after last weekend's anti-inflation package, which included a rise in the discount rate to 12 per cent from 11 per cent.

Following the rise in the U.S. discount rate, U.S. banks headed by Chase Manhattan, increased their prime rates to 14 1/2 per cent.

MONEY RATES

Table showing money rates for New York, Germany, France, and Japan, including discount rates and prime rates.

THE POUND SPOT AND FORWARD

Table showing pound spot and forward rates for various currencies including U.S., Canada, Netherlands, Belgium, Denmark, W. Ger., Portugal, Spain, Norway, France, Japan, Austria, and Switz.

THE DOLLAR SPOT AND FORWARD

Table showing dollar spot and forward rates for various currencies including UK, Ireland, Netherlands, Belgium, Denmark, W. Ger., Portugal, Spain, Norway, France, Japan, Austria, and Switz.

CURRENCY RATES

Table showing currency rates for various currencies including Sterling, U.S. Dollar, Deutschmark, Japanese Yen, French Franc, Swiss Franc, Dutch Guilder, Italian Lira, Canadian Dollar, and Belgian Franc.

OTHER MARKETS

Table showing other market rates for various currencies including Argentina Peso, Australia Dollar, Brazil Cruzeiro, Finland Markka, Greek Drachma, Hong Kong Dollar, Kuwait Dinar, Luxembourg Franc, Malaysia Dollar, New Zealand Dollar, Saudi Arab. Riyal, Singapore Dollar, and Sth. African Rand.

U.S. rates firmer

Gold rose \$17 to \$390.398 (3885.55 per ounce), compared with \$374.377 and showed a steady rise despite the early improvement of the dollar.

GOLD

Table showing gold prices for various currencies including London, New York, and other international markets.

U.S. rates firmer

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U.S. rates firmer

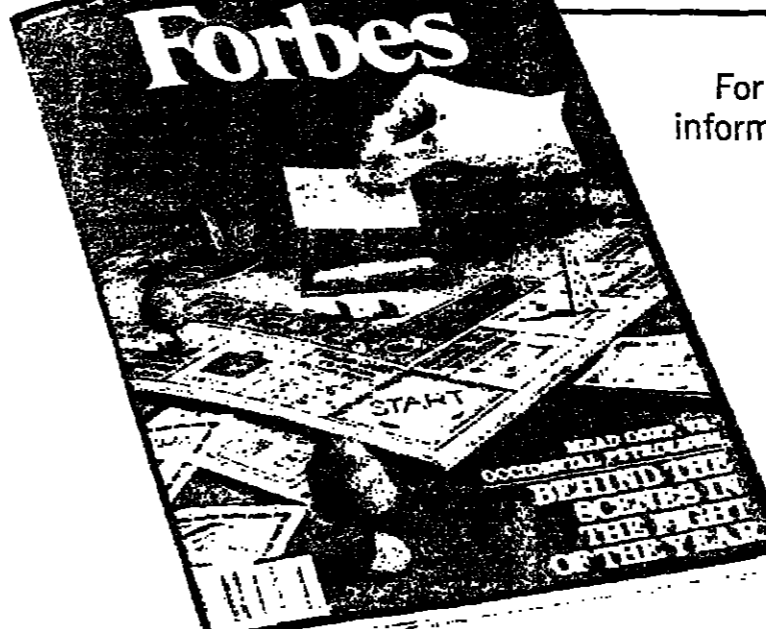
Table showing London money rates for various currencies including Sterling, Deutschmark, Japanese Yen, French Franc, Swiss Franc, Dutch Guilder, Italian Lira, Canadian Dollar, and Belgian Franc.

FORBES Magazine is read regularly by more of the most important U.S. business influences than any other.

Table showing circulation and cost per thousand for Forbes, Business Week, Fortune, Time, Newsweek, and U.S. News & World Report.

Furthermore, FORBES costs less per advertising page and is the most cost efficient of the major U.S. business magazines.

Table showing circulation and cost per thousand for Forbes, Business Week, and Fortune.



For more information: In London Mr. Ralph Morpurgo Managing Director Publicitas Ltd. In New York Mr. James W. LaCingrino Director of International Advertising FORBES Magazine.

Forbes

ENERGY AND INDUSTRY

... a major international conference to be held in Dusseldorf on 23 and 24 October 1979 organised by the Financial Times and the International Energy Agency in association with London Transport.

- The meeting will assess: The oil supply outlook, Energy for industry - including future price developments, Energy conservation - business and government policy.

- Speakers will include: Dr. Dieter von Wurzen, Secretary of State for Energy, Federal Republic of Germany; Mr. John G Winger, Vice President and Senior Energy Economist, The Chase Manhattan Bank NA; Dr. N Sarkis, Director, The Arab Petroleum Research Center; Dr. Ulf Lantzke, Executive Director, International Energy Agency; Viscount Etienne Davignon, Member of the Commission, Commission of the European Communities.

For further details please complete and return the coupon below

Form for requesting details of the World Conference on Energy and Industry, including fields for Name, Company, Address, and Title.

A FINANCIAL TIMES CONFERENCE

WORLD STOCK MARKETS

Companies and Markets

Dow falls 14.59 in heavy early trading

INVESTMENT DOLLAR PREMIUM \$2.60 to \$1-35 1/2 (35 1/2%) Effective \$2.1555 12 1/2 (11 1/2%) Banks announced the biggest one-step rise in the prime rate ever and the stock market fell sharply in heavy trading. The Dow Jones Industrial Average fell 14.59 points and declines outpaced advances 15-40 on a turnover of 34m shares. ... Federal Reserve announced its shift measures to support the dollar. Chase's move was quickly followed by many big banks and some raised their broker loan rates to 14 1/2 per cent from 13 per cent. Analysts said the higher interest rates were prompting selling by investors who decided carrying costs of 15 per cent or more were too expensive. Most major industry groups de-

clined, including auto, steel, copper, aluminium, chemical, oil and aircraft. Declines of a point or more were registered by Arco, Republic Steel, Monsanto, Allied Chemical, Boeing, United Technologies, Digital Equipment, Motorola, Alcoa, Polaroid, Chase Manhattan and J.P. Morgan. Superior Oil lost 4 1/2 to \$66 1/2. Some gold shares, however, firmed as bullion prices rose in London. ASX added 1/4 to \$31. Campbell Redlake 1/4 to \$23 1/2 and Dome Mines 1/4 to \$43 1/2. AMERICAN STOCK EXCHANGE prices also fell sharply in heavy trading. The index fell 4.54 to 227.57 on turnover of 3.57m shares. The oil group was weak with the exception of volume leader Damsco Oil, which rose 1/4 to \$21 1/2. Share prices were broadly lower in moderately active trading. All leading indices retreated and the Composite Index dropped almost four points. Oils were lower as BP Canada fell \$2 to \$58 1/2, Imperial Oil

"A" CSI to \$54, Dome Petroleum CSI to \$52 1/2, Gulf Canada CSI to \$50 1/2 and Shell Canada CSI to \$48 1/2. Mines mainly declined and Falconbridge Nickel "A" fell \$2 1/2 to \$27 1/2, Alcan Aluminium CSI to \$27 1/2, Inco CSI to \$26 1/2 and Noranda CSI to \$25 1/2. Among Banks, Toronto Dominion lost \$2 to \$24, while Canadian Imperial at \$25 1/2, Bank of Montreal at \$24 1/2 and Bank of Nova Scotia at \$24 1/2 all slipped \$1/2. Volume was 356,050 shares compared with 319,545 on Friday. Germany After Monday's buoyancy share prices closed mostly easier, and turnover was slightly down. Commerzbank led bankings DM 170 lower compared with Monday's closing price. In Auto, Daimler-Benz DM 2 1/2, while VW shares were narrowly mixed with Hoechst down 0.50 pfennig, BASF up 0.20 pfennig, and Bayer unchanged. AEG lost DM 1 and Veba 0.10 pfennig. In Options trading, prices

were little changed on higher turnover, with the main activity varied on BASF and VW call options. On the domestic bond market, public authority loans eased up to 35 pfennigs, and Bundesbank open market purchases and sales were balanced after purchases of DM 2.5 of paper on Monday. Mark-denominated foreign loans fell up to 75 pfennigs. Paris French share prices eased on profit-taking in quiet trading, and dealers noted some reserve because of Wall Street's moves to support the dollar. Engagements were an exception to the overall trend, showing slight firmness with Peclain rising Ffr 8.50 to Ffr 253.50. Among foreign shares, oils firmed. Germans were well maintained, gold mines were easier and U.S. stocks fell. Tokyo Share prices closed higher in active trading in reaction to Monday's sharp post-election fall, dealers said. The market average rose 17.14 to close at 6,522.84, with volume of 400m shares. The Tokyo Stock Exchange Index closed at 456.89, up 0.71. Energy-related issues led the gains after the Kuwaiti oil price increases, and Mitsui Mining rose 40 to ¥68, Nippon Oil 50 to ¥138, Showa Oil 45 to ¥468 and Tokai Oil 24 to ¥1,010, based on BASF and VW call

after the rise in the U.S. discount rate, dealers said. The Hang Seng Index closed 13.22 points lower at 961.71, with most selling activity in the morning. Among properties Hongkong Land fell 40 cents to HK\$10.70, 1980 warrants HK\$60 to HK\$12.30 and 1986 warrants 35 cents to HK\$7.60, while SIK Properties fell 70 to HK\$14.60. Milan Stocks closed mixed because of fears of higher interest rates which brought a lower trend elsewhere. Siala Viscoia and Montedison firmed in Chemicals, and Fiat also gained, but Assicurazioni Generali, Fiat Olivetti and the two Ferraris eased. Bonds weakened on selling pressure after the weekend rise in bank rate. Johannesburg Gold shares were firmer at the close after the rally in the bullion price though trade was cautious and quiet, dealers said. West Dried shed 90 cents to 6.200 cents, Angles was 20 cents up at 1.030 cents and De Beers was unchanged at 930 cents after 935 cents earlier. Platinum was lower, and industrials were steady to marginally firmer in slack trade. Amsterdam Share prices closed narrowly mixed and Royal Dutch and Alcoa rose F1.30 and F1.80. Philips fell in otherwise unchanged Dutch internationals, dealers said. Shell rose F1.10, and Amfas and Ennio F1.80, Robeco Lor F1.80, and Van Ommen and Pakhoed F1.50 each. State Loans were lower where changed. Brussels Prices were mostly higher in lively trading. Bourse sources said. F.N. Electrolab, Union Miniere, Cockfield, Wagons-Lits, UCB, Mosane, Tessenendero and Cometra rose, while Tracta, Clabecq, GB, Solvay and Arbed fell.

Switzerland Prices closed slightly easier with the dollar's strength depressing foreign bonds immediately. NOTES: Overseas prices shown below exclude 5 premium. Belgian dividends are after withholding tax. * Assumed 100 denoms. unless otherwise stated, yields based on net dividends plus tax. ** Assumed 100 denoms. unless otherwise stated. *** Swiss 100 denoms. unless otherwise stated. **** Ex rights, ex dividend, ex suspension, a Florin, 5 Schillings. Cents of Dividend after pending rights and/or scrip issue, a Par share. 1/2 assumed 100 denoms. unless otherwise stated. a After local taxes, m % tax free. n France including Union div. p Non-French including Union div. q Dividend special payment, r minority holders. s Unofficial trading, v minority holders. w Dividend suspended, x Ex all. A interim since increased.

Indices

NEW YORK - DOW JONES table with columns for Oct 9, Oct 8, Oct 7, Oct 6, Oct 5, Oct 4, 1979 High, 1979 Low, since Comp'n High, since Comp'n Low

STANDARD AND POORS table with columns for Oct 9, Oct 8, Oct 7, Oct 6, Oct 5, Oct 4, 1979 High, 1979 Low, since Comp'n High, since Comp'n Low

MONTECARLO table with columns for Oct 9, Oct 8, Oct 7, Oct 6, Oct 5, Oct 4, 1979 High, 1979 Low, since Comp'n High, since Comp'n Low

JOHANNESBURG table with columns for Oct 9, Oct 8, Oct 7, Oct 6, Oct 5, Oct 4, 1979 High, 1979 Low, since Comp'n High, since Comp'n Low

MONDAY'S ACTIVE STOCKS table with columns for Stock, Price, Change

AUSTRALIA table with columns for Oct 9, Price, +/-, Div. Yld. %

STOCKHOLM table with columns for Oct 9, Price, +/-, Div. Yld. %

OSLO table with columns for Oct 9, Price, +/-, Div. Yld. %

JOHANNESBURG table with columns for Oct 9, Price, +/-, Div. Yld. %

NEW YORK table with columns for Stock, Oct 9, Oct 8, Oct 7, Oct 6, Oct 5, Oct 4, 1979 High, 1979 Low, since Comp'n High, since Comp'n Low

CANADA table with columns for Stock, Oct 9, Oct 8, Oct 7, Oct 6, Oct 5, Oct 4, 1979 High, 1979 Low, since Comp'n High, since Comp'n Low

GERMANY table with columns for Oct 9, Price, +/-, Div. Yld. %

TOKYO table with columns for Oct 9, Price, +/-, Div. Yld. %

AMSTERDAM table with columns for Oct 9, Price, +/-, Div. Yld. %

COPENHAGEN table with columns for Oct 9, Price, +/-, Div. Yld. %

EUROPEAN OPTIONS EXCHANGE table with columns for Series, Vol., Last, Jan., Last, April, Last, Stock

BASE LENDING RATES table with columns for Bank, Rate, %

PARIS table with columns for Oct 9, Price, +/-, Div. Yld. %

SWITZERLAND table with columns for Oct 9, Price, +/-, Div. Yld. %

MILAN table with columns for Oct 9, Price, +/-, Div. Yld. %

VIENNA table with columns for Oct 9, Price, +/-, Div. Yld. %

SPAIN table with columns for Oct 9, Price, +/-, Div. Yld. %

INDUSTRIALS table with columns for Stock, Price, +/-, Div. Yld. %

FINANCIAL RISK U.S. \$90 table with columns for Stock, Price, +/-, Div. Yld. %

Companies and Markets

COMMODITIES AND AGRICULTURE

World rice prospects lapse

ROME—Prospects for the 1979 rice crop have deteriorated following several months of erratic and insufficient monsoon rains in several important rice producing countries in the Far East, the UN Food and Agriculture Organisation announced.

OECD predicts fall in Soviet grain imports

BY DAVID WHITE IN PARIS

THE SOVIET Union's grain production over the next five years may prove to be enough to cover the country's needs. This means that it will only have to import grain to make up for the quantities of its own grain it sends to other Communist countries.

seven years, the report says. But it warns of the risk of substantial disruptions on the world market if it has a very bad crop year or a very good one. Storage facilities are due to improve only gradually and carryover stocks will remain below requirements.

Uptrend in sugar loses momentum

By Our Commodities Staff

The uptrend in world sugar prices continued yesterday morning lifting nearby values to new life-of-contract highs. But the rise ran out of steam in the afternoon and most of the early gains were lost.

Continuing role for private farming

BY PAUL LENDVAI

THE PROMOTION of private initiative and support for the tiny private plots of collectivised farmers and urban dwellers has become a key issue in Hungarian agricultural policy.

is pressing for increased imports of Western machinery and larger foreign exchange allowances for the state import agencies. It is now openly admitted that the decrees issued by the Government as well as the party resolution are bound to remain a dead letter without radical measures to improve the supply of the small producers with machinery and tools.

World cotton pact opposed

BY BRIJ KHINDARIA IN GENEVA

THE U.S., Japan and the Common Market remain opposed to any binding international agreement to regulate the world cotton market despite increasing pressure from developing countries, the Soviet Union and some European nations for such regulation.

of the world cotton trade and about 60 per cent of Third World cotton exports argued strongly for a reserve stock system. Switzerland and the Nordic countries supported them with some reservations.

Rubber demand slackening

By Our Commodities Staff

WORLD RUBBER demand has slackened off sharply in the second half of this year, according to the Economist Intelligence Unit.

Russians praise UK dockers
THE RUSSIANS praised dockers yesterday, in a letter to Hull Docks Board, for unloading a Soviet timber ship in a record 14 days. This compared with a usual unloading time of nearly a week.

Silver prices up sharply

By Our Commodities Editor

SILVER PRICES moved up strongly yesterday following the unexpected rally in gold. On the London bullion market the spot quotation was raised at the morning fixing by 84.25p to 755p a troy ounce.

BRITISH COMMODITY MARKETS

Table with columns for Base Metals (Copper, Tin, Zinc), I.G. Index Limited, Insurance Base Rates, and Cash and Currency Processing.

COCOA

Table showing cocoa prices for various origins like West African, East African, and Indonesian.

COFFEE

Table showing coffee prices for Arabica and Robusta beans from various regions.

SOYABEAN MEAL

Table showing soyabean meal prices for different grades and origins.

PRICE CHANGES

Table listing price changes for various commodities like metals, oil, and grains.

AMERICAN MARKETS

Table showing market data for American commodities like wheat, corn, and soybeans.

EUROPEAN MARKETS

Table showing market data for European commodities like wheat, oil, and metals.

CASH AND CURRENCY PROCESSING
Having established a significant market position in Europe and the United States of America, ATS Advanced Technics & Systems S.A. announces the firmation of a new subsidiary.

INSURANCE BASE RATES
Property Growth 131%
Vanbrugh Guaranteed 129%
Address shown under Insurance and Property Bond Table

THE FIRST NAME TO THINK OF
INTERNOL
The new company has established a U.K. sales and service organisation and through its regional service centres is able to support both new and existing users of GLOXY equipment.

WHEAT
LONDON DAILY PRICE (new sugar): 273.00 (£131.00) a tonne cif for Oct-Nov shipments.

GRAINS
LONDON GRAIN FUTURES—The market opened 10-20 points lower but steady heading held and values rose ground during both sessions.

SILVER
Silver was fixed 48.25p an ounce higher for spot delivery in the London bullion market yesterday.

WHEAT
LONDON DAILY PRICE (new sugar): 273.00 (£131.00) a tonne cif for Oct-Nov shipments.

SUGAR
LONDON DAILY PRICE (new sugar): 273.00 (£131.00) a tonne cif for Oct-Nov shipments.

COTTON
LIVERPOOL—Spot and shipment sales amounted to 221 tonnes, bringing the stock for the week to 18,100 bales.

WOOL FUTURES
SYDNEY GREASY WOOL—Close in order buyer, seller, business, unquoted.

MEAT/VEGETABLES
SMITHFIELD—Pence per pound, best Scotch mutton 60.0 to 65.0; Irish mutton 60.0 to 65.0.

NEW ZEALAND CROSSLINERS
(in order buyer, seller, business, unquoted).

NEW ZEALAND CROSSLINERS
(in order buyer, seller, business, unquoted).

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(in order buyer, seller, business, unquoted).

NEW ZEALAND CROSSLINERS
(in order buyer, seller, business, unquoted).

INDICES
FINANCIAL TIMES
Oct 8: 303.81 304.05 288.25 280.86

MOODY'S
Oct 8: 1168.9 1168.0 1107.4 970.4

REUTERS
Oct 9: 1669.8 1669.4 1611.7

PARIS, Oct 9
Cocoa—(FF per 100 kilos) Dec 1377-1380, March 1367-1370, May 1370-1380, Sept 1380, Dec 1400.

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Cocoa—(FF per 100 kilos) Dec 1377-1380, March 1367-1370, May 1370-1380, Sept 1380, Dec 1400.

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PARIS, Oct 9
Cocoa—(FF per 100 kilos) Dec 1377-1380, March 1367-1370, May 1370-1380, Sept 1380, Dec 1400.

LONDON STOCK EXCHANGE

Banking statistics fail to check downturn in Gilts Equities follow late and index loses 3.9 to 482.9

Account Dealing Dates... First Declara... Last Account Dealings... Equities follow late and index loses 3.9 to 482.9

halted the upturn. The amount of trade from midday onwards was sparse indeed and in the late afternoon a disposition to follow the fortunes of the Gilt market emerged and prices came back.

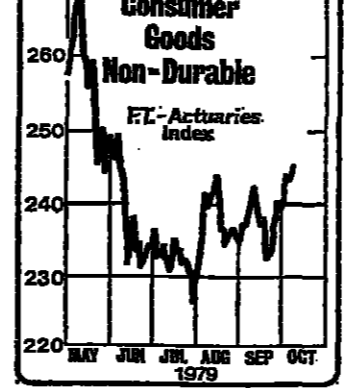
conversion factor was 0.8919... Traded options continued relatively active with a total of 980 contracts completed, only slightly below Monday's 1,015.

terim results on Thursday, fell 6 to 134p, while Lee Cooper dipped 5 to 265p on profit-taking and Maple shed a penny to 273p on further consideration of the mid-term statement.

profits Associated Biscuit relinquished a penny to 89p, but Bejam added 4 to 79p, after 77p in response to the increased profits and dividend and proposed one-for-three scrip issue.

Henlys, 114p and Hartwells, 72p. British Car Auctions added a couple of pence to 71p.

FINANCIAL TIMES STOCK INDICES. Table with columns for indices (Government Secs, Fixed Interest, Industrial, etc.) and dates (Oct 9, Oct 8, Oct 7, Oct 6, Oct 5, Oct 4).



Glaxo lower... Overnight consideration of the preliminary results caused dullness in Glaxo which steadily fell away to close 10 cheaper at 460p.

Oils still active... Although not quite on the previous day's scale, trading in the Oil market was again lively.

HIGHS AND LOWS. Table with columns for Stock, Denomina, Closing price (p), Change, 1979, 1978.

ACTIVE STOCKS. Table with columns for Stock, Denomina, Closing price (p), Change, 1979, 1978.

LONDON TRADED OPTIONS. Table with columns for Option, Exch, Closing price, Offer, Vol., etc.

Banks easier late... Nervous selling developed among the major clearing banks following the latest bank lending figures, but falls were restricted to a couple of pence except in the case of Lloyds, down 5 to 320p.

Freemans dull again... Leading Stores remained quiet and closed on balance.

Bar and Wallace Arnold... A shed 6 to 135p on the disappointing interim results, but buying ahead of the annual results due next week, lifted Saga Holidays 1p to 186p.

Gold surge ahead... After edging higher throughout the morning owing to a rise in the Financial Rand and investment currency premium, South African Gold shares surged ahead in the afternoon as attempted heavy U.S. buying followed the gain in the bullion price in front of last night's International Monetary Fund gold auction.

Publisher's notice. Page 33 of yesterday's issue of the Financial Times, giving Unit Trusts, Insurance and Property Funds and Offshore and Overseas Funds, was mistakenly stated Wednesday, October 10. We apologise for the error.

APPOINTMENTS

Senior posts at Borthwicks

Mr. John R. Palfreyman has been appointed to the main Board of THOMAS BORTHWICK AND SONS. Early in 1980 he becomes managing director (meat) based in London.

Mr. Colin G. Reed, managing director of Atlas Copco (Great Britain) has been appointed a director of Atlas Copco (UK) Holdings and ATLAS COPCO INTERNATIONAL HOLDINGS.

Mr. Alan L. H. Ruge has been appointed technical director of DOWTY-FUEL SYSTEMS. Mr. Ralph F. Brinkworth has been made production director.

NEW HIGHS AND LOWS FOR 1979

Table with columns for New Highs (106), New Lows (8), and Options. Includes sub-sections for RISES AND FALLS YESTERDAY and RECENT ISSUES EQUITIES.

FT-ACTUARIES SHARE INDICES

Table with columns for EQUITY GROUPS & SUB-SECTIONS, FIXED INTEREST EQUITIES, and FIXED INTEREST PRICE INDICES. Includes sub-sections for RISES AND FALLS YESTERDAY and RECENT ISSUES EQUITIES.

AUTHORIZED UNIT TRUSTS

Table listing various authorized unit trusts with columns for name, address, and other details.

Table listing insurance and property funds with columns for name, address, and other details.

Table listing offshore and overseas funds with columns for name, address, and other details.

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NOTES: Price does not include 5% premium, except where indicated...

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Table of stock prices for various food and grocery companies, including Anglo-Siam, Anglo-Tex, and Anglo-Thai.

Table of stock prices for various industrial companies, including Anglo-Ind, Anglo-Persian, and Anglo-Siam.

Table of stock prices for various food and grocery companies, including Anglo-Siam, Anglo-Tex, and Anglo-Thai.

Table of stock prices for various food and grocery companies, including Anglo-Siam, Anglo-Tex, and Anglo-Thai.

FT SHARE INFORMATION SERVICE

CHRISTIE & CO. 32 Baker Street London W1. Telephone 01-496 4231. Specialists in the sale of privately owned businesses and companies.

BRITISH FUNDS

Table of British fund prices, categorized by 'Shorts' (Lives up to Five Years), 'Five to Fifteen Years', and 'Over Fifteen Years'.

INTERNATIONAL BANK

Table of international bank prices, including various global financial institutions.

COMMONWEALTH & AFRICAN LOANS

Table of commonwealth and African loan prices, including various international lending institutions.

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FOREIGN BONDS & RAILS

Table of foreign bond and rail prices, including various international securities.

AMERICANS

Table of American stock prices, including various US companies.

CANADIANS

Table of Canadian stock prices, including various Canadian companies.

BANKS AND HIRE PURCHASE

Table of bank and hire purchase prices, including various financial institutions.

BANKS & HP—Continued

Continuation of bank and hire purchase prices, including various international banks.

BEERS, WINES AND SPIRITS

Table of beer, wine, and spirit prices, including various international brands.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of building industry, timber, and road prices, including various construction-related companies.

ALCOHOLIC BEVERAGES

Table of alcoholic beverage prices, including various international brands.

CHEMICALS, PLASTICS—Cont.

Continuation of chemical and plastic prices, including various international companies.

DRAPERY AND STORES

Table of drapery and store prices, including various retail companies.

ELECTRICALS

Table of electrical prices, including various international companies.

CHEMICALS, PLASTICS

Table of chemical and plastic prices, including various international companies.

ENGINEERING MACHINE TOOLS

Table of engineering machine tool prices, including various international companies.

ENGINEERING—Continued

Continuation of engineering prices, including various international companies.

INDUSTRIALS (Misc.)

Table of miscellaneous industrial prices, including various international companies.

FOOD, GROCERIES, ETC.

Table of food, grocery, and other prices, including various international companies.

FOOD, GROCERIES, ETC.

Table of food, grocery, and other prices, including various international companies.

INDUSTRIALS—Continued

Table of industrial stocks including companies like British Petroleum, Shell, and ICI, with columns for stock name, price, and change.

INSURANCE—Continued

Table of insurance stocks including companies like British Overseas Airways, British Airways, and British Caledonian.

PROPERTY—Continued

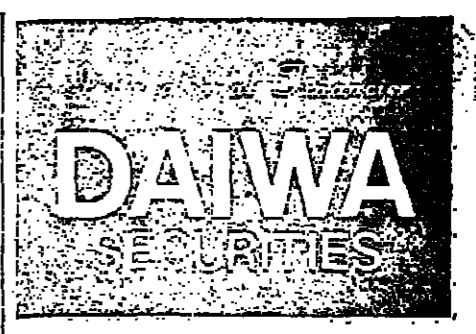
Table of property-related stocks including companies like British Overseas Airways, British Airways, and British Caledonian.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including companies like British Overseas Airways, British Airways, and British Caledonian.

FINANCE, LAND—Continued

Table of finance and land stocks including companies like British Overseas Airways, British Airways, and British Caledonian.



MINES—Continued AUSTRALIAN

Table of Australian mining stocks including companies like Anglo American, BHP, and Rio Tinto.

TINS

Table of tin stocks including companies like Anglo American, BHP, and Rio Tinto.

OVERSEAS TRADERS

Table of overseas traders including companies like Anglo American, BHP, and Rio Tinto.

RUBBERS AND SISALS

Table of rubber and sisal stocks including companies like Anglo American, BHP, and Rio Tinto.

TEAS

Table of tea stocks including companies like Anglo American, BHP, and Rio Tinto.

MINES CENTRAL RAND

Table of central rand mining stocks including companies like Anglo American, BHP, and Rio Tinto.

EASTERN RAND

Table of eastern rand mining stocks including companies like Anglo American, BHP, and Rio Tinto.

FAR WEST RAND

Table of far west rand mining stocks including companies like Anglo American, BHP, and Rio Tinto.

O.F.S.

Table of O.F.S. stocks including companies like Anglo American, BHP, and Rio Tinto.

FINANCE

Table of finance stocks including companies like Anglo American, BHP, and Rio Tinto.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks including companies like Anglo American, BHP, and Rio Tinto.

CENTRAL AFRICAN

Table of central african stocks including companies like Anglo American, BHP, and Rio Tinto.

LEISURE

Table of leisure stocks including companies like Anglo American, BHP, and Rio Tinto.

MOTORS, AIRCRAFT TRADES

Table of motors and aircraft trades stocks including companies like Anglo American, BHP, and Rio Tinto.

Commercial Vehicles

Table of commercial vehicles stocks including companies like Anglo American, BHP, and Rio Tinto.

Components

Table of components stocks including companies like Anglo American, BHP, and Rio Tinto.

Garages and Distributors

Table of garage and distributor stocks including companies like Anglo American, BHP, and Rio Tinto.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stocks including companies like Anglo American, BHP, and Rio Tinto.

PAPER, PRINTING

Table of paper and printing stocks including companies like Anglo American, BHP, and Rio Tinto.

ADVERTISING

Table of advertising stocks including companies like Anglo American, BHP, and Rio Tinto.

PROPERTY

Table of property stocks including companies like Anglo American, BHP, and Rio Tinto.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including companies like Anglo American, BHP, and Rio Tinto.

Investment Trusts

Table of investment trusts including companies like Anglo American, BHP, and Rio Tinto.

Finance, Land, etc.

Table of finance, land, etc. stocks including companies like Anglo American, BHP, and Rio Tinto.

TOBACCO

Table of tobacco stocks including companies like Anglo American, BHP, and Rio Tinto.

INSURANCE

Table of insurance stocks including companies like Anglo American, BHP, and Rio Tinto.

MISCELLANEOUS

Table of miscellaneous stocks including companies like Anglo American, BHP, and Rio Tinto.

GOLDS EX-GRANDIS

Table of gold stocks including companies like Anglo American, BHP, and Rio Tinto.

NOTES

Notes section containing various financial notices and company announcements.

MINES CENTRAL RAND

Table of central rand mining stocks including companies like Anglo American, BHP, and Rio Tinto.

EASTERN RAND

Table of eastern rand mining stocks including companies like Anglo American, BHP, and Rio Tinto.

FAR WEST RAND

Table of far west rand mining stocks including companies like Anglo American, BHP, and Rio Tinto.

O.F.S.

Table of O.F.S. stocks including companies like Anglo American, BHP, and Rio Tinto.

FINANCE

Table of finance stocks including companies like Anglo American, BHP, and Rio Tinto.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks including companies like Anglo American, BHP, and Rio Tinto.

CENTRAL AFRICAN

Table of central african stocks including companies like Anglo American, BHP, and Rio Tinto.

OPTIONS

Table of options including companies like Anglo American, BHP, and Rio Tinto.

3-month Call Rates

Table of 3-month call rates including companies like Anglo American, BHP, and Rio Tinto.

